



krungsri
กรุงศรี

A member of  **MUFG**
a global financial group

FORM 56-1 ONE REPORT 2023

RACE

to NET ZERO



SHAPING **SUSTAINABILITY FUTURE**



KRUNGSRI... 'BANKING WITH PURPOSE'

Over the course of nearly eight decades, Krungsri has dutifully balanced our responsibilities encompassing all stakeholder groups, adhering to the mandate of a Domestic Systemically Important Bank (D-SIB) and the guiding principles of 'Banking with Purpose'.

Krungsri is continuously advancing our sustainability endeavors while addressing socioeconomic and environmental imperatives, and advancing our Carbon Neutrality commitment, through leveraging financial products and services innovation, operational excellence, and MUFG's global strengths and network.

Krungsri...bridging capital and sustainability.





SUSTAINABLE ECONOMY

Through our credit policy internalizing environmental, social, and governance considerations, Krungsri advocates customers and the real sector's sustainable growth journey, as well as transitional financial and advisory services in moving toward a low-carbon economy.





SUSTAINABLE ENVIRONMENT

Krungsri debuted Thailand's green and blue bond issuance, with an aim to scale up our green financing portfolio while accelerating blue financing transactions, accelerating the country's climate action.





SUSTAINABLE SOCIETY

Krungsri strives to make positive societal impacts through our dynamic endeavors in becoming a net zero organization centered on both our own business operations and financial services that we offer, emphasizing resource efficiency, energy transition, and digitalization.



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MISSION

To be a leading regional financial institution with global reach, committed responsibly to meeting the needs of our customers and serving society through sustainable growth



VISION

Highly-qualified team of professionals providing innovative products and services, dedicated to becoming our customers' number one preferred financial group

CORE VALUES

CUSTOMER CENTRICITY

We put our customers first, understanding and anticipating their needs and expectations and responding with best solutions.

INTEGRITY

We are fair and professional, inspiring trust and work with transparency, legalism and ethics.

TEAM SPIRIT

We work together as a team for the benefit of our customers and Krungsri with open hearts and open minds to reach our goals.

PASSION FOR EXCELLENCE

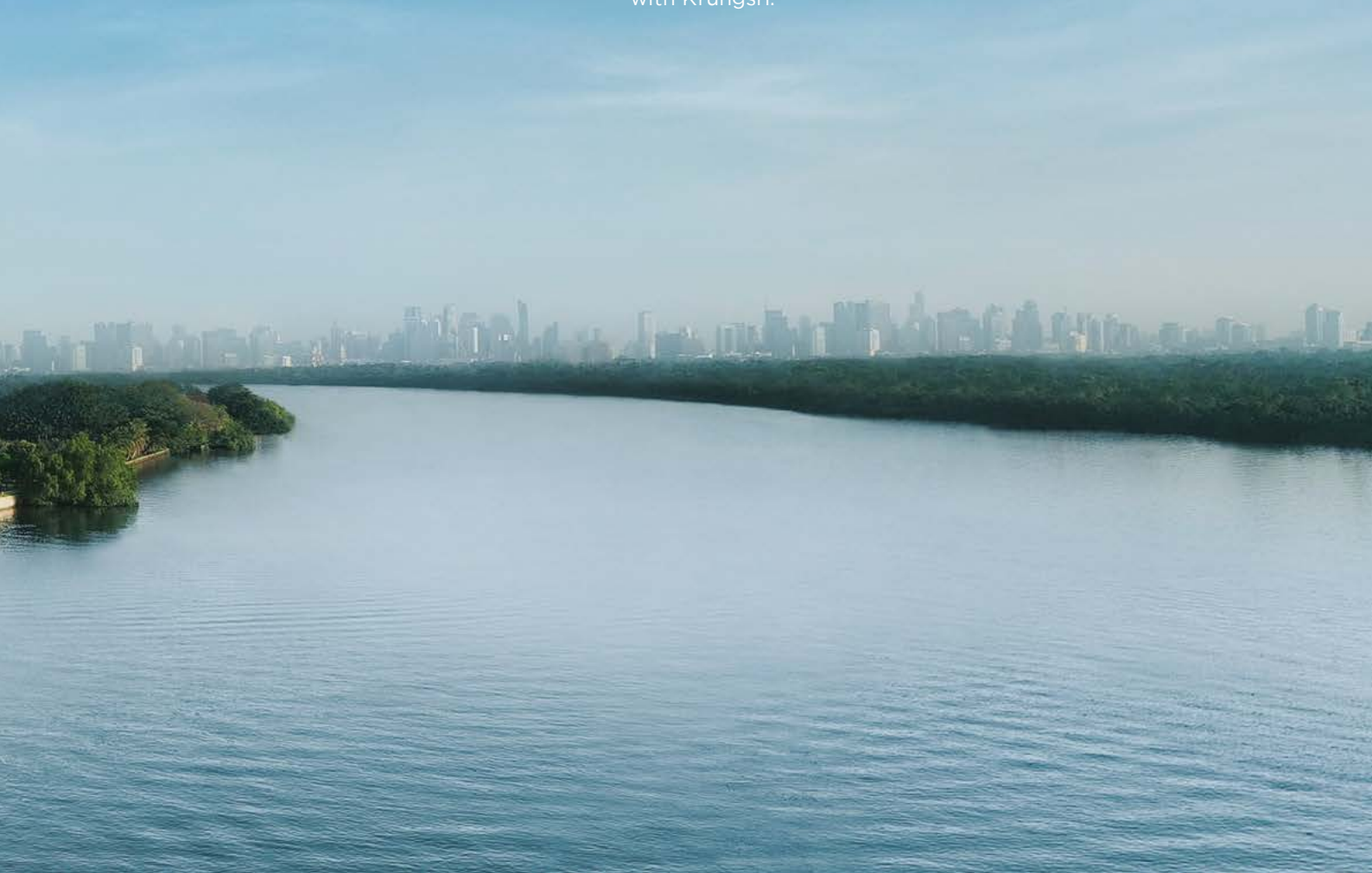
We are committed to instill in ourselves the expectation of excellence in delivering our work and services.

MAKING INNOVATIVE CHANGES

We start by changing ourselves and intend to improve every day by creating changes for the better that will positively benefit our customers along with Krungsri.

GLOBAL AWARENESS

We challenge ourselves as a valued member of a global financial group, supporting the growth of our customers both within and outside Thailand.



BOARD OF DIRECTORS' REPORT



The year 2023 marked the conclusion of Krungsri's third Medium-Term Business Plan (MTBP), covering the period from 2021-2023, which was successful in spite of the formidable challenges stemming from uncertainty surrounding the post-pandemic recovery, the global monetary tightening cycle, and escalating geopolitical tensions.

Under this MTBP, Krungsri delivered on our promise to 'Be the preferred Thai bank connecting customers' needs across ASEAN', as assured by our stakeholders together with our regional aspirations, while celebrating the 10th anniversary of our Krungsri-MUFG strategic partnership.

In 2023, Krungsri's robust performance surpassed that of the Domestic Systemically Important Bank (D-SIB) average across multiple dimensions namely profitability and asset quality metrics as well as ASEAN footprint expansion. Our net profit was recorded at 32,929 million baht, marking a 7.2-percent increase from 2022. This solid growth was attributed to the broad-based loan expansion, particularly SME and retail segments, partly driven by the acquisitions of our overseas consumer finance portfolios. Meanwhile, asset quality remained robust, with the non-performing loan ratio standing at 2.53 percent, the industry's lowest level.

On the regional front, with the backdrop of ASEAN's robust economic dynamism supported by its demographic dividend, we acquired and fully consolidated three overseas consumer finance companies: SHB Finance in Vietnam, and Home Credit in both the Philippines and Indonesia, fortifying our capabilities in capturing growth and business opportunities for both ourselves and our customers.

Underpinning our 'preferred Thai bank' ambition, one of our key stakeholders, Moody's Investors Service, entrusted us with an upgrade of our long-term foreign-currency deposit rating from Baa1 to A3, with a stable outlook, marking the highest credit rating among Thailand's D-SIBs, accentuating our financial strength and soundness.

On the sustainability front, Krungsri was recognized by the Stock Exchange of Thailand (SET), another important stakeholder, with the highest AAA rating in the 'SET ESG Ratings', underscoring our substantiated environmental, social, and governance excellence. Furthermore, maintaining our leading position in ESG finance, particularly in Thailand's robust ESG debenture league table, denotes our preferred financial institution status among customers.

Under the urgent global agenda of climate action, Krungsri is determined to actively contribute to Thailand's carbon neutrality commitment through our ambition to achieve net zero within 2050. Governed by the Policy for Sustainability Lending, which encompasses rigorous environmental and social risk management and governance—with particular importance given to the climate change agenda—we systematically and scientifically identified economic and business activities in alignment with the Thailand Taxonomy, while abiding by social safeguard mechanisms to leave no one behind.

With a firm target of expanding our social and sustainable finance (SSF) portfolio by 100 billion baht within 2030, Krungsri achieved another milestone in 2023 as our SSF portfolio witnessed a noteworthy increase of 71 billion baht since 2021, reflecting our relentless pursuit of the Krungsri Carbon Neutrality Vision.

We also take pride in sustainability initiatives by becoming the first commercial bank in Thailand to issue the green and blue bond, in line with our commitment to sustaining both land and sea environments.

Looking ahead, against the backdrop of prevailing global megatrends such as supply chain disruptions, demographic shifts, and environmental and biodiversity urgency, along with other dynamic factors shaping the business landscape domestically and internationally, the Board of Directors has approved the fourth Medium-Term Business Plan, a strategic framework that sets out our business directions and plans for the next three years (2024-2026).

Commencing the new MTBP in 2024, Krungsri aims to achieve its aspiration to 'Be the leading sustainable and regional bank'. Building on our status as a 'preferred partner to our stakeholders', we are committed to basing our operations on three fundamental pillars: fostering sustainable growth, amplifying productivity and efficiency, and orchestrating a corporate transformation.

To advance our sustainable journey, guided by our firm commitment to climate action and the spirit of a D-SIB, Krungsri aims to not only adapt to the changing global landscape and mitigate adverse impacts, but also to spearhead meaningful change for our customers and society. Our goal is to deepen and strengthen our leading-edge ESG finance advocacy to achieve sustainability and economic prosperity for stakeholders.



Noriaki Goto
Chairman



Jamlong Atikul
Vice Chairman

MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER



In 2023, Krungsri delivered remarkable results while attaining new financial heights, thanks to our strategic thrusts in financial inclusion and ASEAN expansion amidst the challenges posed by the global monetary tightening cycle, geopolitical tensions, and commodity price volatility. Notably, significant growth was evident in SME and retail loans, boosted by contributions from recently acquired ASEAN subsidiaries, leading to a healthy loan portfolio expansion of 3.5 percent, the highest growth rate among Domestic Systemically Important Banks (D-SIBs).

In 2023, Krungsri Group recorded a robust net profit of 32,929 million baht, marking a 7.2-percent increase from 2022. This performance was bolstered in part by the acquisition of overseas consumer finance portfolios, now contributing 5.2 percent of the group's outstanding portfolio and 12.3 percent in terms of operating income. We delivered an impressive return on equity (ROE) of 9.28 percent, while asset quality remained strong with the non-performing loan ratio at 2.53 percent, the lowest among D-SIBs.

In recognition of our long-standing effort to reinforce our profitability and financial resilience, Krungsri's financial strength has been affirmed with top ratings, achieving an A3 rating from Moody's. This upgrade exemplified both our financial soundness and prudent risk governance. Furthermore, with our unwavering commitment to environmental, social, and governance (ESG) principles, we obtained the highest AAA rating in ESG, awarded by the Stock Exchange of Thailand (SET).

In 2023, Krungsri continued to earn prestigious accolades which underscore our relentless dedication to excellence in ESG practices and community engagement. The awards included ESG Corporate Awards from The Asset—securing the Platinum Award for the fourth consecutive year, Corporate Governance Asia 2023, and Thailand's Best Bank for CSR by Asiamoney for the fourth consecutive year, among others.

Equally important, as the post-COVID-19 period continued to pose certain challenges for our customers, Krungsri proactively supported customers still recovering from the pandemic as well as customers needing to adjust to the new era, resulting in loans under relief programs amounting to approximately 6 percent of outstanding loans, totaling 118,908 million baht. These programs greatly benefited 135,178 accounts of retail customers and 3,627 commercial customers, while additional credit lines of 22,675 million baht were offered to 5,048 SME customers.

Under the final year of the previous Medium-Term Business Plan (MTBP), 2023 marked the culmination of our efforts with the aspiration to 'Be the preferred Thai bank connecting customers' needs across ASEAN'. Krungsri has made significant strides in various related strategies, and ASEAN expansion in particular. We successfully acquired and integrated three overseas consumer finance companies—establishing our presence in six ASEAN countries, namely Myanmar, Cambodia, Lao PDR, Vietnam, the Philippines, and Indonesia.

We also successfully integrated Capital Nomura Securities in Thailand last year, rebranding it as Krungsri Capital Securities Public Company Limited. These strategic moves denote Krungsri's bold M&A approach to both geographical and revenue diversification as well as capturing new growth opportunities.

On the sustainable banking front, which constituted another key strategic thrust, Krungsri achieved a multitude of noteworthy accomplishments. Our social and sustainable finance (SSF) portfolio markedly increased by 71,000 million baht from the 2021 baseline, securing a prominent market position as the leading player with a 20-percent market share in the ESG debenture market.

Simultaneously, we have also been pivotal in the progressive development of the 'green' and 'blue' bond market, becoming the first Thai bank to issue a combination green and blue bond, while securing a total subscription of USD 400 million (equivalent to 14,236 million baht). The funds raised will be used for climate mitigation, adaptation efforts, and promotion of sustainable ocean health.

Krungsri is also a leader in climate finance advocacy, participating in the Alliance for Green Commercial Banks initiative to drive green banking initiatives toward excellence, and channel critical capital to

meet urgent agendas both domestically and worldwide, cementing Krungsri's distinction as the most sustainable bank in Thailand.

Garnering both domestic and international recognition, Krungsri was the only Thai commercial bank to present at the 28th Conference of the Parties to the UN Framework Convention on Climate Change (COP28) on the Financing for Climate Change Agenda. Krungsri, together with MUFG, advocated policy recommendations and financial strategies to support the formulation of Thailand's energy sector decarbonization pathway.

Furthermore, Krungsri assumed the role of co-CEO sponsor bank for the Thai Bankers' Association's development of the Industry Handbook—a mandate for commercial banks in adopting climate and environmental risk management as core competencies while concurrently and effectively supporting the real economy's transition toward low-carbon activities.

In the realm of practices, Krungsri played a crucial role in assisting customers in their transition toward green business practices in alignment with ESG principles through a wide range of projects tailored for both corporate and retail customers. Meanwhile, we saw milestone achievements in digital and innovation endeavors, prioritizing long-term planning initiatives to modernize the IT infrastructure and digital framework.

Recognizing the challenging landscape and dynamic shifts propelled by digital advancements, Krungsri has crafted and launched the fourth MTBP covering the period from 2024 to 2026 through assessment of the noteworthy achievements and difficulties faced in our previous three editions, while remaining attuned to evolving trends and market conditions both domestically and globally.

The aspiration for this MTBP is to 'Be the leading sustainable and regional bank,' epitomizing our dedication to prioritizing sustainability and fostering regional impacts, and reflecting our bold vision for the future. To attain this objective, the Bank has established three strategic pillars: sustainable growth, productivity and efficiency, and corporate transformation.

For sustainable growth, our dedication lies in becoming a leading commercial bank, solidifying our position through One Retail execution, reimagining the commercial banking of the future, expanding transaction banking through innovation, and diversifying business via partnerships and ecosystems, while also positioning regional-linked and ESG-linked businesses.

Efforts in productivity and efficiency are focused on optimizing resources by eliminating or streamlining inefficient processes, including low-yield products and services, and shifting resources to new processes utilizing current technology.

We also aim for corporate transformation, leveraging digital technology to analyze operational data, seize new business prospects, and cultivate an agile organizational culture responsive to evolving customer preferences.

In addition to increasing social and sustainable finance (SSF) to 100 billion baht, under the Thailand Taxonomy, we pledge to aid customers in adopting low-carbon, sustainable practices by promoting ESG awareness and providing eco-friendly financial products (transition finance), aiming to meet greenhouse gas reduction targets and address climate change impacts. Supported by the implementation of the Policy for Sustainability Lending, we stand firm in support of our customers on their sustainability journeys.

On behalf of our leadership team, I wish to thank our customers, shareholders, employees, and all involved for their ongoing support. Dedicated to conducting business with the highest level of responsibility, we will continue to shape Thailand's banking sector and lead the country toward a sustainable future.



Kenichi Yamato

President and Chief Executive Officer

BOARD OF DIRECTORS



Mr. Noriaki Goto
Chairman
Independent Director



Dr. Jamlong Atikul
Vice Chairman
Independent Director
Chairman of the Nomination and
Remuneration Committee
Audit Committee Member



Mr. Kenichi Yamato
Executive Director
Chairman of the Executive Committee



Mr. Virat Phairatphiboon
Director
Chairman of the Risk and Compliance
Committee
Nomination and Remuneration
Committee Member



Mr. Masakazu Osawa
Director
Nomination and Remuneration
Committee Member



Mr. Jiro Omori
Director
Risk and Compliance Committee
Member



Mrs. Tongurai Limpiti
Independent Director
Chairperson of the Audit Committee



Dr. Wittaya Watcharawittayakul
Independent Director
Audit Committee Member



Professor Dr. Sakda Thanitcul
Independent Director
Audit Committee Member



Miss Nopporn Tirawattanagool
Director
Nomination and Remuneration
Committee Member
Risk and Compliance Committee
Member



Mr. Pornsanong Tuchinda
Director
Risk and Compliance Committee
Member



Miss Duangdao Wongpanitkrit
Executive Director
Executive Committee Member

ADVISOR



Mr. Karun Kittisataporn
Advisor

SENIOR MANAGEMENT



Mr. Kenichi Yamato
President and
Chief Executive Officer



Miss Duangdao Wongpanitkrit
Chief Financial Officer



**Mr. Chandrashekar Subramanian
Krishoolndmangalam**
Chief Risk Officer



Mr. Prakob Phiencharoen
Head of Corporate and Investment
Banking Group



Mr. Hirotaka Kuroki
Head of Global Markets Group



Dr. Vasin Udomratchatavanich
Chief Human Resources Officer



Miss Puntipa Hannoraseth
Head of Internal Audit Group



Mr. Kittichai Singha
Chief Compliance Officer



Mr. Congsin Congcar
Head of Krungsri Auto Group



Mr. Bunsei Okubo
Head of JPC/MNC Banking



Mr. Phonganant Thanattrai
Head of Retail and Consumer Banking



Mr. Sayam Prasitsirigul
Chief Information and Digital Officer



Miss Nayanee Peaugkham
Head of Krungsri Consumer Group



Mr. Pairote Cheunkrut
Chief Strategy Officer



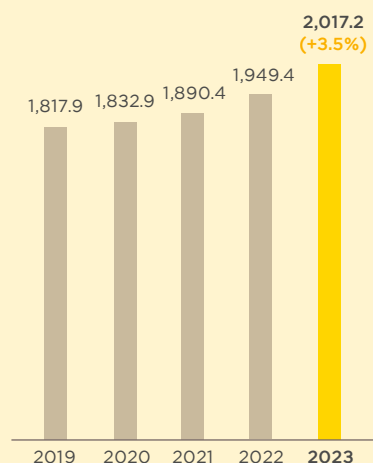
Miss Duangkamol Limpuangthip
Head of SME Banking Group

FINANCIAL HIGHLIGHTS

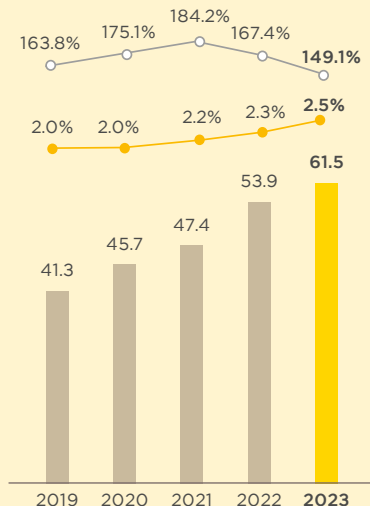
(CONSOLIDATED)

LOANS TO CUSTOMERS

(Billion baht)

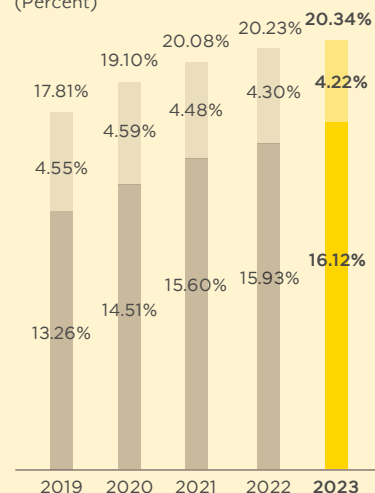


NPL RATIO



CAPITAL ADEQUACY RATIO

(Percent)

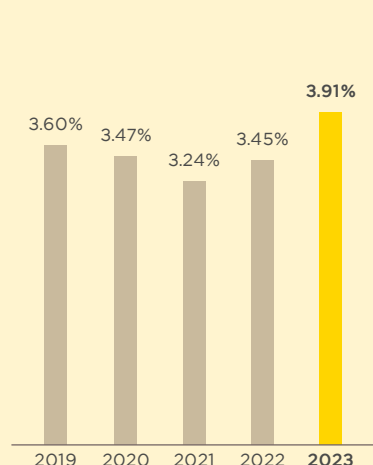


■ NPLs gross (Billion baht)
 ● NPLs to total loans ratio %
 ○ Coverage ratio %

■ Tier 1 ■ Tier 2

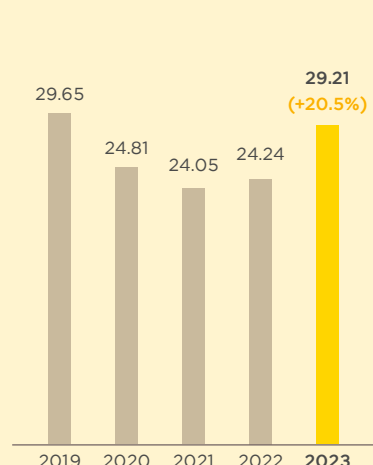
NET INTEREST MARGIN (NIM)

(Percent)



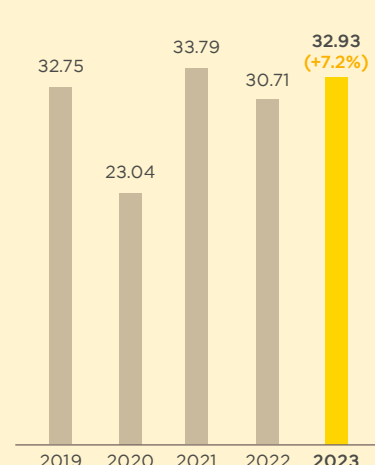
FEES AND SERVICE INCOME

(Billion baht)



NET PROFIT ^{1/}

(Billion baht)



^{1/} Attributable to equity holders of the Bank

Remark: Effective January 1, 2020, the Bank adopted the Thai Financial Reporting Standards No. 9 Financial Instruments (TFRS 9) on a retrospective basis without restatement of prior periods.

CONSOLIDATED FINANCIAL STATEMENTS

	2023	2022	2021	2020	2019 ^{1/}
Financial position information (Million baht)					
Total assets	2,768,295	2,636,951	2,499,109	2,609,374	2,359,592
Loans to customers ^{2/}	2,017,204	1,949,409	1,890,376	1,832,935	1,817,877
Allowance for expected credit loss/Allowance for doubtful accounts and Revaluation allowance for debt restructuring	89,070	87,851	84,360	76,407	67,384
Non-performing loans	61,481	53,875	47,448	45,672	41,334
Total liabilities	2,396,841	2,295,192	2,180,872	2,320,195	2,087,476
Deposits	1,839,601	1,804,692	1,779,139	1,834,505	1,566,885
Total shareholders' equity	371,454	341,759	318,237	289,179	272,116
Operating performance (Million baht)					
Interest income	139,251	105,428	99,804	108,062	110,455
Less: interest expenses	39,861	21,650	21,824	26,758	34,032
Interest income, net	99,390	83,778	77,980	81,304	76,423
Fees and service income, net	20,831	16,945	16,851	17,564	21,777
Non-interest and non-fee income	18,727	15,693	28,075	15,119	23,408
Total operating income	138,948	116,416	122,906	113,987	121,608
Less: other operating expenses	61,835	51,035	48,954	48,465	52,169
Less: expected credit loss/Impairment loss of loans and debt securities	35,617	26,652	31,604	36,644	28,203
Less: income tax expenses and non-controlling interest	8,567	8,016	8,554	5,838	8,487
Net profit (Attributable to equity holders of the Bank)	32,929	30,713	33,794	23,040	32,749
Financial ratios					
Return on assets (%)	1.22	1.20	1.32	0.93	1.44
Return on equity (%)	9.28	9.33	11.17	8.25	12.76
Earnings per share (Baht)	4.48	4.18	4.59	3.13	4.45
Cost to income ratio (%)	44.50	43.84	39.83	42.52	42.90
Total capital adequacy ratio - financial business group (%)	20.34	20.23	20.08	19.10	17.81
Total Tier 1 capital ratio - financial business group (%)	16.12	15.93	15.60	14.51	13.26
Book value per share (Baht)	50.50	46.46	43.26	39.31	36.99
Loans to deposit ratio (%)	109.65	108.02	106.25	99.91	116.02
Loans to deposit plus debentures and bills of exchange ratio (%)	107.42	106.24	103.29	95.71	108.37
Non-performing loan to total loans ^{3/} (%)	2.53	2.32	2.20	2.00	1.98
Coverage ratio (%)	149.12	167.45	184.23	175.12	163.82

Remarks: ^{1/} Effective January 1, 2020, the Bank adopted the Thai Financial Reporting Standards No. 9 Financial Instruments (TFRS 9) on a retrospective basis without restatement of prior periods.

^{2/} Loans to customers less deferred revenue for 2019

^{3/} Total loans are loans to customers and loans to financial institutions

AWARDS AND RECOGNITION IN 2023



BANK OF AYUDHYA

► ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

Thaipat Institute

- Certificate of ESG100 Company (8th consecutive year)
- Sustainability Disclosure Award

Corporate Governance Asia

- Asia's Best CEO (Investor Relations) for 9th consecutive year
- Asia's Best CFO (Investor Relations) for Ms. Duangdao Wongpanitkrit (9th consecutive year)
- Asia's Best CSR (6th year)
- Best Investor Relations Professional (Thailand) (5th consecutive year)
- Best Investor Relations Company (Thailand) (10th consecutive year)
- Best Environmental Responsibility (Thailand) (2nd year)

Asia Money

- Best Bank for CSR Award (4th consecutive year)
- Best Bank for Diversity and Inclusion in Thailand

The Asset

- The Asset ESG Corporate Awards 2023 (Platinum Award) (4th consecutive year)

The Stock Exchange of Thailand

- SET ESG Ratings at the highest AAA and being selected in Thailand Sustainability Investment for 8th consecutive year

► INFORMATION TECHNOLOGY AND DIGITAL



Asian Banking & Finance (ABF)

- Thailand Domestic Technology & Operations Bank of the Year for Krungsri Biz Online (9th consecutive year)
- The Innovative Deal of the Year – Thailand for Krungsri Internet Banking Laos

Retail Banker International (RBI)

- Winner – Advances in the Use of Biometrics in Security for KMA krungsri app

The Digital Banker

- Best SME Mobile Banking Service Initiative for Krungsri Biz Online
- Winner – Outstanding CX in Digital Sales Strategy for Krungsri iFIN

► CORPORATE BRANDING AND MARKETING



AdForum

- Bronze Award in the category of online films

MAD STARS

- Crystal Award in the category of entertainment video stars

The awards were given for our launch of brand refresh and new brand promise of 'Make Life Simple Every Day'.

► OPERATIONS

Bank of New York Mellon

- USD Payments STP Award

JP Morgan Chase New York

- Elite Quality Recognition Award

The Twimbit CX Stars

- Advanced CX Mastery

► CORPORATE AND INVESTMENT BANKING

Alpha Southeast Asia

- Best Bond Deal for Retail Investors in Southeast Asia – Ek-Chai Distribution System Co., Ltd.
- Best Inaugural Bond Deal in Southeast Asia – CP Aextra PCL
- Best Local Currency Bond Deal of The Year in Thailand – CP Aextra PCL

The Asset

- Best Bank for Sustainable Finance
- Best Bond Adviser, Domestic

- Best Green & Blue Bond
- Best Green Bond – Export-Import Bank of Thailand
- Best Green Loan – SCG Packaging PCL
- Best Sustainability Linked Loan (Food Products) – Thai Union Group PCL
- Best New Bond – CP Aextra PCL

Finance Asia Awards

- Best Sustainable Bank (International), Hong Kong, India, Indonesia, Singapore, Taiwan, Thailand

► RETAIL AND CONSUMER BANKING



The Digital Banker

- Best Private Equity Offering
- Outstanding Use of Advance Analytics

Asian Banking & Finance (ABF)

- AI & Machine Learning Initiative of the Year
- Millennial product Initiative of the Year – Thailand for Kept by krungsri
- Financial Inclusion Initiative of the Year

Citywire Asia

- Best Investment and Fund Advisory-Thailand for Krungsri Investment Intelligence
- Top 25 ASEAN Selectors for Mr. Win Phromphaet

CX Asia

- Bronze – Best Digital Experience Award
- Best Brand Experience

International Data Corporation (IDC)

- Asia's Leader in Customer Engagement for Kept by krungsri

Private Banker International

- Winner – Launch of the Year

Qorus APAC

- Best Distribution

Western Union

- WU Stella program

► TRANSACTION BANKING



Asian Banking & Finance (ABF)

- Corporate Client Initiative of the Year for the digital wallet solution
- Mobile Banking & Payment Initiative of the Year for QR Cross-border outbound service

The Asset

- Best Liquidity and Investment solution

The Digital Banker

- Winner – Outstanding Cross Border Payment Solution for Corporates

► PEOPLE



HR Asia

- HR Asia Best Companies to Work for in Asia
- HR Asia Most Caring Company Award 2023

Employer Branding Institute and World HRD Congress

- Asia's Best Employer Brand Award 2023 (3rd consecutive year)

Human Resources Online

- Bronze – Excellence in Employer Branding
- Silver – Excellence in Business Transformation

Work Venture

- Top 50 Best Companies to Work in Thailand 2023

KRUNGSRI CONSUMER



Asian Business Review

- Thailand Technology Excellence Award for Mobile – Financial Services for UCHOOSE (3rd consecutive year)

BrandAge

- Thailand's Most Admired Brand 2023 in the category of Banking & Financial Services (Credit Card) for Krungsri Credit Card

Human Resources Online

- Bronze – Excellence in Hybrid Working

The Digital Banker

- Highly Acclaimed – Credit Card of the Year – ASEAN for Central The 1 Credit Card (2nd consecutive year)
- Highly Acclaimed – Best Digital Transformation Program

Wisesight (Thailand) – Thailand Zocial Awards

- Best Brand Performance on Social Media in the category of Financial Service – Credit Card for Krungsri First Choice (5th consecutive year)

Retail Banker International (RBI)

- Winner – Best Use of Technology in Advertising/Marketing Strategy for Krungsri First Choice from its campaign entitled 'METAVERRRRRRR'
- Winner – Best Content Marketing Program for Krungsri First Choice from its first painting auction campaign in NFT marketplace entitled 'First Choice X 3Puck'
- Highly Commended - Best Marketing Campaign of the Year for Krungsri First Choice from its campaign entitled 'METAVERRRRRRR'

ADFEST 2023 (Asia Pacific Advertising Festival)

- Silver Award in Digital & Social Lotus (in the category of DIO2: Social Film) for Krungsri First Choice from its campaign entitled 'METAVERRRRRRR'

MAD STARS*

- Bronze Award in Finance/Services/Entertainment & Others
- Bronze Award in Film Craft/Art Direction/Production Design
- Crystal Award in Film Craft/Visual Effects

Advertising Association of Thailand*

- Best Award in Film Craft (Production Design/Art Direction)
- Gold Award in Film Craft (Script)
- Silver Award in Film Craft (Cinematography)
- Bronze Award in Online Film (Consumer Services/B2B/Financial)
- Gold Award in 30 Young Judge

Ad Addict*

- One of top-10 Thai Ads of The Year 2023 – Hall of Fame (2nd consecutive year)

* All awards are for Krungsri First Choice from its campaign entitled 'First Generation'.

KRUNGSRI FINNOVATE

World Business Outlook

- Best Venture Capital Firm for Startups Thailand 2023

Enterprise Asia

- Winner – Organization & Culture category

The Digital Banker

- Highly Acclaimed – Excellence in Digital Innovation for Krungsri Upcelerator



KRUNGSRI AUTO



Superbrands Thailand Council

- Superbrand Thailand 2023 (11th consecutive time)

BrandAge

- Thailand's Most Admired Brand 2023 in Banking and Financial Services category, Car Leasing sector (11th consecutive year)
- Brand Impact Award 2023

Grand Prix International

- Best Car & Bike Finance of the Year 2023 (10th consecutive year)

Marketeer

- Top-of-Mind Auto Finance Brand Award 2023 (2nd consecutive year)

Asian Banking & Finance (ABF)

- The Automobile Lending Initiative of the Year

Asian Experience Awards

- Thailand Digital Experience of the Year – Banking (2nd consecutive year)

The Digital Banker

- Best CX Business Model – Auto Loans
- The Digital Lending Product of the Year

KRUNGSRI ASSET MANAGEMENT



Alpha Southeast Asia

- Best Fund with the Optimal Information Ratio, Thailand

Asia Asset Management

- Best Bond Manager (4th consecutive year)

Citywire Asia

- Best Asset Manager, Thailand

Global Banking & Finance Review

- Asset Management Company of the Year, Thailand (5th consecutive year)
- Pension Fund Manager of the Year, Thailand (3rd consecutive year)

International Finance

- Best Mutual Fund House, Thailand (3rd consecutive year)

The Asset

- Asset Management Company of the Year, Thailand (9th year)

Morningstar

- Retirement Mutual Fund for Fixed-Income for KFMTFIRMF

Money & Banking

- Mutual Fund of the Year: Best SSF Equity Fund for KFENS5OSSF

NGERN TID LOR



World HRD Congress

- Thailand Best Employer Brand Awards 2023

Wisesight (Thailand) - Thailand Zocial Awards

- Winner – Best Brand Performance on Social Media in the category of Financial Service – Leasing (3rd consecutive year)

Retail Banker International (RBI)

- Best Benefits, Wellness and Well-Being Program 2023

The Asian Banker

- Best Insurance Technology 2023

Kaizen Institute

- KAIZEN™ Award Thailand 2nd Edition 2023

BrandAge

- Thailand's Most Admired Brand 2023 in Banking and Financial Services category, Car Leasing sector (5th consecutive year)

The Digital Banker

- Best Customer Centric Business Model – B2B2C 2023

The Ministry of Social Development and Human Security

- Prachabodhi Awards 2022

Advertising Association of Thailand

- Silver Awards in Film (Consumer and Financial Services)

KRUNGSRI CAPITAL SECURITIES

Investment Analyst Association (IAA)*

- Best Analyst Award 2022
 - Research team – Most Cover Stock (2nd consecutive year)
 - Derivatives Analyst (5th consecutive year)
 - Technical Analyst (4th year)

- Best Analyst Award 2022 – Outstanding Award
 - Property & Construction Industry Analyst (3rd consecutive year)
 - Fundamental Strategist (5th consecutive year)

* The announcement made on March 27, 2023

OPERATING ENVIRONMENT



THE THAI ECONOMY IN 2023 AND THE OUTLOOK FOR 2024

IN 2023, THE THAI ECONOMY UNDERSHOT ITS GROWTH POTENTIAL, WITH THE POLITICAL ENVIRONMENT UNCERTAIN THROUGH MUCH OF THE YEAR

The Thai economy grew by 1.9 percent in 2023, compared to 2022's 2.5 percent. Despite a slowdown, overall economic growth was driven by the strength of the service sector, particularly the rise in both domestic tourist numbers and foreign arrivals, which then helped to return labor markets and incomes to their vigorous pre-pandemic levels. However, the political situation went through a period of transition during the year, and delays in establishing a new government following the general election undercut business sentiment and postponed budget disbursements. Alongside this, the slowdown in the global economy, the rise in interest rates to their highest in several decades, the ongoing war in Ukraine, and the eruption of tensions between Israel and Hamas all added to the headwinds blowing against Thailand's economy and financial sector.

The continuing rebound in the tourism sector proved to be a major growth engine in 2023. Overall, foreign arrivals grew solidly following an end to COVID-19 as a global health emergency and the reopening of the country. Although recovery in the all-important Chinese market has been slower than hoped, the tourism sector received a year-end boost with the temporary introduction of visa-free travel for arrivals from certain high-potential countries. Given this, for all of 2023, overseas arrivals reached 28.2 million, more than double the 2022 total of 11.1 million. **Private consumption was another bright spot for the economy**, with growth of 7.1 percent from the boost given to spending by the reopening of the country and the improving outlook for both the domestic and international segments of the tourism sector, the positive effects of which have now returned employment to near its pre-pandemic level. Another tailwind included government measures to help reduce the cost of living, particularly energy costs. Less positively, **Thai exports have been adversely impacted by the slowdown in the global economy and trade**, which are themselves the consequence of ongoing geopolitical tensions and tight monetary policy. This has weighed upon demand in export markets. Although Thai exports returned to growth in the latter half of the year, export value for all of 2023 contracted by 1.7 percent, a turnaround from the 5.4-percent growth recorded in 2022. **Private investment growth decelerated** to 3.2 percent in 2023 from 4.7 percent in 2022, partly due to the slowdown in exports and resulting weakness in manufacturing. Investments were also affected by the delay in forming a new government following the general election, which caused businesses to hold off on

investment decisions until there was greater clarity regarding which direction the new administration's policy would take. **The mid-year halt to central government activity further impacted public spending** since this delayed the passing of the annual budget for fiscal year 2024, which should have begun disbursement in October 2023. Thus, parts of budget disbursements and the government's new investment projects were deferred until 2024, and combined with the drop in expenditure on COVID-19 related health measures, this impacted overall economic growth.

Boosted by the post-pandemic rebound in domestic expenditure, **inflationary pressures** remained strong at the start of 2023, but headline inflation cooled rapidly before turning negative in the final quarter of the year. Government measures to help lessen the costs of living, particularly electricity and fuel prices, played an important role in this. For all of 2023, headline inflation dropped to 1.2 percent, from 2022's 6.1 percent. Tighter monetary policy also helped to ease inflationary pressure. **The Monetary Policy Committee (MPC) hiked the policy interest rate five times from 1.25 percent at end-2022 to 2.50 percent at end-2023** as the Bank of Thailand looked to maintain price stability and to pull inflation back into its target range in the medium term. On the international front, exchange rates remained volatile, and the Thai baht-US dollar rate was periodically buffeted by the US central bank's tightening of monetary policy as it hiked the Fed Funds rate to a 22-year high. However, expectations of major economies' sooner-than-expected rate cuts in 2024 helped the baht to rally in late 2023. The baht was also supported by the continuing strength of the Thai tourism sector which helped to push the current account balance back into surplus.

2024 OUTLOOK: LAGGING CYCLICAL RECOVERY WITH UNEVEN AND UNCERTAIN GROWTH

The Thai economy should enjoy an improving outlook, and growth is expected to improve to 2.7 percent from 1.9 percent in 2023, largely thanks to internal factors that will include the following: (i) The government's supportive measures and greater capacity will support **ongoing growth in the tourism sector**. Foreign arrivals will thus increase from 28.2 million in 2023 to an anticipated 35.6 million in 2024, although that would still be short of the pre-pandemic total of around 40 million; (ii) **Private consumption is expected to grow** by 3.1 percent on the recovery in the tourism sector, firmer labor markets, and continuing government stimulus measures and help with the cost of living; (iii) With the passage of the 3.48 trillion baht annual budget (a 9.3-percent increase from

last year's), **public spending will become a more important driver of growth** from the second quarter of 2024 onwards. In particular, having contracted in 2023, public consumption and investment are forecast to return to growth of 1.5 percent and 2.4 percent, respectively; (iv) **Private investment should expand** by 3.3 percent, close to the previous year, given the strength of the service sector and infrastructure-related businesses, coupled with ongoing government measures to support the growth of targeted industries. However, **export growth will be limited by continuing weakness** in overseas markets. The International Monetary Fund (IMF) sees the world economy expanding by 3.1 percent in 2024, close to 2023 and significantly below the 3.8 percent averaged over 2000 to 2019. Although the global economy may remain sluggish, the World Trade Organization (WTO) nevertheless expects that growth in the volume of world trade will improve from 0.8 percent in 2023 to 3.2 percent in 2024. Other specific factors that will have a positive impact on trade include cyclical recovery in the electronics industry, efforts to shore up food security, and growing regionalization; overall, these factors should help Thai exports pick up to growth of 2.5 percent in 2024.

Despite the continuing recovery of the Thai economy, the 2024 growth would be low still below 3 percent since the COVID-19 pandemic started in 2020. Headline inflation in 2024 is expected to remain low at 1.1 percent, compared with 1.2 percent in 2023. These factors imply greater probability that the Bank of Thailand would begin to cut the policy interest rate in the middle of 2024 in an effort to accommodate a smooth economic recovery ahead.

The IMF sees the ASEAN-5 enjoying average growth of 4.7 percent in 2024, up from 4.2 percent in 2023, and so while Thailand can look forward to an improving outlook in 2024, the country continues to underperform relative to its regional peers. Through 2024, internal factors that may drag on growth will include the high level of household debt—a problem which is being amplified by the recent increase in interest rates, the potentially worsening impacts of drought, and longer-term structural problems such as the aging society, labor shortages, and declining competitiveness in many industries. Externally, risk may arise from the potential impact of interest rates at a multi-decade high on the world's major economies, a slowdown in the Chinese economy and the country's lingering real estate crisis, fragmented globalization and the potential bifurcation of the world economy, and ongoing geopolitical stresses which unfortunately could intensify and widen in the coming period.

THAILAND'S COMMERCIAL BANKS IN 2023 AND THE 2024 OUTLOOK

2023 SECTOR REVIEW

In 2023, the overall Thai economy continued to grow, albeit at a slower pace than expected, due to sluggish demand in international markets and uneven paces of domestic recovery across all industries. While tourism served as a major supporting factor, contributing to the improvement of the domestic economy, Thai commercial banks continued to support their clients through various measures, including facilitating working capital and liquidity.

In terms of monetary policy, the Bank of Thailand (BOT) adjusted its monetary policy toward normalization by gradually increasing the policy interest rate in alignment with economic conditions. As a result, the policy rate at the end of 2023 stood at 2.5 percent, up from 1.25 percent at the end of 2022, leading to commercial banks increasing deposit and loan rates in line with the normalization policy.

The overall performance of Thai commercial banks in 2023 remained firm and stable, with capital, reserves, and liquidity at high levels. While net profits improved from the previous year, banks' lending contracted slightly by 0.3 percent compared to the previous year, due mainly to banks' asset quality management, as well as the business sector's loan repayments following the accelerated loan expansion to support liquidity requirements during the pandemic. This trend was particularly noticeable among SMEs, large corporations in the manufacturing sector, and the public sector. Of the total, corporate loans decreased by 1.7 percent, while consumer loans expanded by 2.3 percent, primarily driven by personal loans. Meanwhile, auto loans contracted slightly following banks' cautious lending approach. Concurrently, banks' deposits increased by 0.8 percent in 2023, decelerating from an increase of 4.5 percent in 2022. Given the expansion of deposits and the loan contraction, the loan-to-deposit ratio decreased to 91.0 percent from 92.0 percent in 2022, while the Liquidity Coverage Ratio (LCR) was strong, standing at 204.4 percent, far exceeding the minimum criteria of 100 percent. The overall asset quality of commercial banking reflects the business sector's improved debt servicing ability from 2022, with the non-performing loan (NPL) ratio at 2.66 percent in 2023, an improvement from 2.73 percent in 2022, reflecting a decrease in corporate loans, primarily due to banks' asset quality management and debt repayment. Meanwhile, the coverage ratio increased to 179.0 percent, compared to 171.2 percent in 2022.

In 2023, commercial banks' combined net profit was 251 billion baht, representing a 5.8-percent increase from 2022. The main contributing factor was net interest income, which rose in line with increasing interest rates. However, funding costs increased due to higher deposit rates and the normalization of the Financial Institutions Development Fund (FIDF) contribution rate to 0.46 percent from 0.23 percent. This increase included operating expenses and provision expenses, while non-interest income decreased, particularly from net fees and service income. As a result, return on assets (ROA) increased to 1.06 percent from 1.01 percent in 2022, and net interest margin (NIM) increased to 3.00 percent from 2.62 percent in 2022. Additionally, the capital adequacy ratio in 2023 rose to 20.1 percent, compared to 19.4 percent in 2022.

In 2023, **as part of its efforts to continue the provision of assistance measures for the business sector amid the COVID-19 recovery**, the BOT announced the extension of measures to support lending to business operators, including the Special Rehabilitation Loan and Transformation Loan programs, for another year until April 9, 2024, as well as the transfer of the remaining credit limit of the now-expired Asset Warehousing scheme to the Special Rehabilitation Loan program. Additionally, with **a focus on continuously addressing the problem of household debt**, the BOT introduced measures to manage it sustainably. These measures aim to address household debt through existing initiatives that cater to vulnerable borrowers and additional measures emphasizing responsible and fair lending practices, prioritizing borrower care before they fall into debt, during indebtedness, as well as addressing their debt repayment issues. These measures consist of three significant components: 1) Debt restructuring, where creditors are obligated to continuously assist borrowers in debt restructuring, effective January 1, 2024; 2) Addressing chronic debt problems for vulnerable groups by aiding them in paying off debts, effective April 1, 2024; and 3) Enhancing the protection of borrowers' rights for greater fairness.

In terms of the BOT's policy for the transition of the economy toward sustainability, the BOT introduced 'Transitioning Toward Environmental Sustainability Under the New Thai Financial Landscape' and '**Policy Statement: Internalizing the Environmental and Climate Change Aspects into the Financial Institution Business (Standard Practice)**' in particular. These efforts are intended to allow financial institutions to appropriately integrate environmental factors into their business operations and offer financial products and services that support environmental adaptation within the business sector. Furthermore, the BOT played a crucial role in **the preparation of the Thailand Taxonomy Phase 1**



focusing on grouping economic activities in the energy and transportation sectors, which are significant contributors to greenhouse gas emissions. The objective is to establish a uniform standard for grouping economic activities nationwide.

2024 BUSINESS OUTLOOK

Although the overall Thai economy will continue to recover in 2024, it is still necessary to monitor the impact of uncertainties in the economic environment, domestically and internationally. These factors include the expansion of the global economy at a slower rate, continued monetary policy tightening until mid-year, geopolitical conflicts leading to disruptions in global supply chains, climate change-related problems, and the issuance of new regulations and related measures.

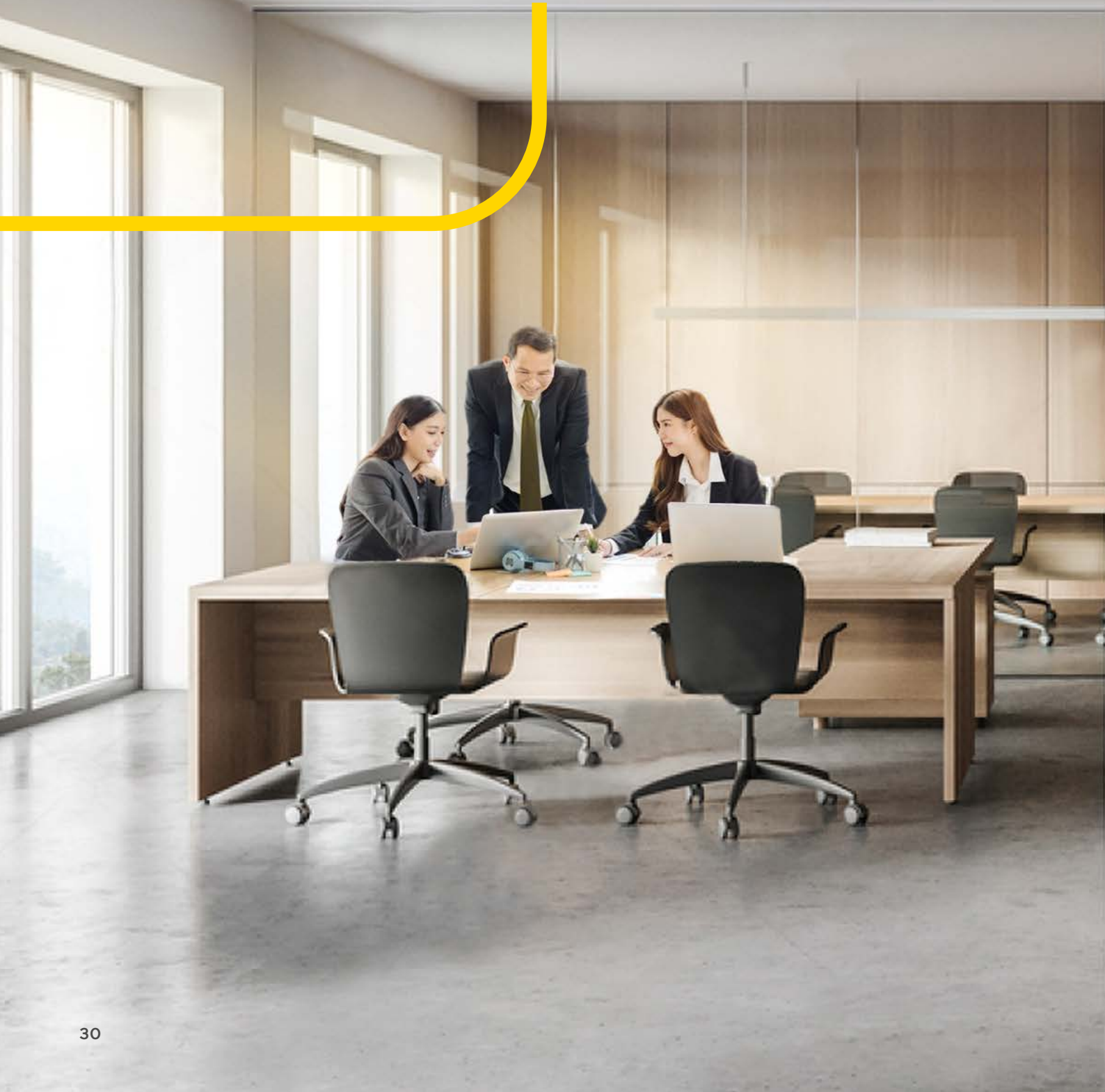
As crucial intermediaries in enhancing the capabilities of the real sector and driving the Thai economy, commercial banks will continue to conduct business with great prudence and care in preparing to address uncertainties that may affect asset quality, especially among vulnerable debtors. Simultaneously, commercial banks will continue to emphasize customer assistance, including the responsible and fair provision of loans in accordance with the BOT policies. Commercial banks' loans are expected to grow approximately 3-4 percent for 2024.

In addition, **commercial banks play an important role in supporting the real sector in its transition toward environmental sustainability**, both in terms of reducing greenhouse gas emissions and adapting to cope with climate change impacts. This is achieved through offering financial products and services that support the appropriate adjustment of the business sector. **In 2024, commercial banks will initiate Transition Plans in alignment with the aforementioned sustainability policy implemented by the BOT**, including targets, action guidelines, and timeframes for adjusting business operations and goals to assist the business sector in achieving tangible transition results. Banks will offer products and services such as Transition Finance Products, tailored to meet the needs of business groups seeking to adapt to reduce greenhouse gas emissions, starting with industries that presently generate high levels of greenhouse gases.

Considering the aforementioned business operational environment, commercial banks must be prepared to adapt, as well as emphasize comprehensive care for all customer groups, to support sustainable economic growth and fulfill their social responsibility.

1

BUSINESS OPERATIONS AND PERFORMANCE



BACKGROUND

Bank of Ayudhya Public Company Limited (the Bank or Krungsri) officially opened its doors on April 1, 1945, and was listed on the Stock Exchange of Thailand (SET) on September 26, 1977. Our steady growth has continued to the present day. As of December 31, 2023, the Bank had total registered capital of 75,741,437,470 baht and paid-up capital of 73,557,617,730 baht.

In 2007, General Electric (GE) Group by GE Capital International Holdings Corporation (GECIH) purchased 2 billion new ordinary shares of Krungsri at the price of 16 baht per share, or 34.92 percent of all issued shares (5,726,945,606 ordinary shares). With GE Group becoming Krungsri's business partner, 2007 was the year of strengthening Krungsri's infrastructure. The integration of complementary strengths from two organizations created competitive advantages, driving growth and enabling Krungsri to compete with leading banks in the country and across the region. Krungsri also applied GE's global standard of corporate governance to ensure that we are a strong financial institution in terms of both capital and management, meeting international standards. Additionally, Krungsri applied the Sales Force Effectiveness (SFE) model, the Lean process, and the customer centricity model to improve the Bank's overall service.

In September 2012, GE Group informed the Office of the Securities and Exchange Commission (SEC) that it sold Krungsri's 461,635,000 ordinary shares held by GECIH or amounting to 7.60 percent of all issued shares (6,074,143,747 ordinary shares) through private placement in SET. Consequently, GECIH held 1,538,365,000 ordinary shares or amounting to 25.33 percent of all issued shares (6,074,143,747 ordinary shares).

In 2013, the Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU), renamed MUFG Bank, Ltd. (MUFG Bank) on April 1, 2018, which is wholly owned by the Mitsubishi UFJ Financial Group (MUFG), Japan's largest financial group and one of the world's largest, made a voluntary tender offer (VTO) for all of Krungsri's 6,074,143,747 ordinary shares at 39 baht per share. The purchase period ran from November 7 to December 13, 2013 (only business days), and GECIH sold Krungsri's 1,538,365,000 ordinary shares, or 25.33 percent of all issued shares, under the same VTO arrangement (at the tender offer price), to MUFG Bank. Then on December 18, 2013, Krungsri was informed by MUFG Bank that the shareholders (including GECIH) had expressed their intention to sell their 4,373,714,120 shares in Krungsri, representing 72.01 percent of total issued shares, to MUFG Bank. As a result, MUFG Bank became Krungsri's major shareholder.

In 2014, Krungsri began formulating the first Medium-Term Business Plan (MTBP) for 2015-2017 with the aspiration of, 'To be a Top-Tier Financial Group in Thailand'.

On January 5, 2015, Krungsri completed its integration with MUFG Bank Bangkok Branch by accepting the entire business transfer of MUFG Bank Bangkok Branch to Krungsri. In addition, Krungsri allotted the private placement of 1,281,618,026 newly issued ordinary shares with the par value of 10 baht per share to MUFG Bank as consideration according to the resolution of the Extraordinary General Meeting of Shareholders (EGM) No. 1/2556 (2013) on October 31, 2013. Krungsri completed the registration of paid-up capital increase with the Department of Business Development, Ministry of Commerce, on January 5, 2015, causing Krungsri to have 73,557,617,730 baht of paid-up capital or 7,355,761,773 issued shares, and MUFG Bank holds 5,655,332,146 shares in Krungsri (76.88 percent of all issued shares).

This major development leveraged both Krungsri's and MUFG Bank's complementary strengths to put Krungsri at the forefront of the Thai banking industry. Given that MUFG Bank is a world-class financial institution with a business network covering more than 50 countries worldwide, the partnership has strengthened Krungsri's leading position in the retail banking business in Thailand and across the region by broadening the Bank's customer base. It has also significantly enhanced the potential and capability of Krungsri's corporate and SME banking businesses, particularly the opportunity to access Japanese enterprises in Thailand and across ASEAN.

In September 2016, the Bank acquired Hattha Kaksekar Limited (HKL), leader of microfinance business in Cambodia, by purchasing shares at the rate of 100 percent of all issued shares from HKL's current shareholder. The total value of the stock investment was USD 146.33 million, or approximately 2,036.26 million baht, which is considered an important step in moving forward with the strategy of expanding business overseas, especially in the CLMV countries.

2017:

- The Bank established Krungsri Finnovate Co., Ltd. as a subsidiary focusing on three major fintech activities: promotion and development of innovation creation, startup management, and investing in fintech development.
- Krungsri formulated the second MTBP for 2018-2020 continuing with the aspiration, 'To be a Top-Tier Financial Group in Thailand'.
- In September, the Bank of Thailand recognized Krungsri as a Domestic Systemically Important Bank (D-SIB), which plays a key role in driving the country's economic and financial systems.

2018:

- In February, Krungsri announced the second Medium-Term Business Plan (2018-2020) with a focus on three key strategic themes: 1) Lead by Innovation: Think 'Digital First'; 2) Enhance Customer Experience to Become a Main Bank; and 3) Enhance Retail and Commercial Banking Platform, and Achieve Sustainable Growth.
- In May, Krungsri inaugurated the Krungsri Ploenchit Office. Recognized as one of Thailand's leading environmentally friendly buildings, it was built using energy-efficient designs in compliance with the Leadership in Energy and Environmental Design (LEED) standards. Located at the corner where Ploenchit Road and Wireless Road intersect in the heart of Bangkok's central business district, the building serves as a venue that will contribute to advancements in commercial banking as well as Krungsri Group's sustainable growth.

2019:

Krungsri established Krungsri Nimble Company Limited as a center for creating and maintaining an IT solutions hub, supporting the development of financial technology and innovation, and increasing Krungsri's competitiveness. This is aimed at supporting the new generation with IT engineering potential, who are inspired to develop and make innovative changes, and ready to grow with the organization in a working atmosphere that supports the birth of innovations.

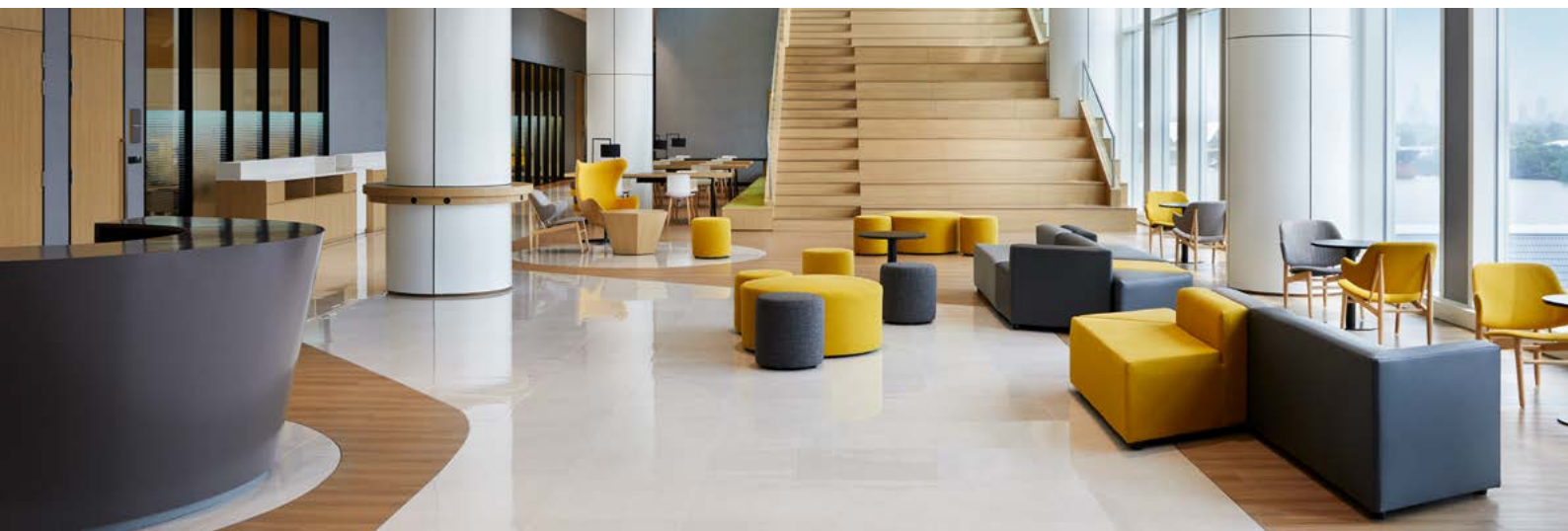
2020:

- On October 20, 2020, Krungsri completed the business acquisition through the purchase of 50 percent of all issued shares of SBF in the Philippines from Security Bank Corporation (SBC). As a result, SBF is now a non-solo consolidation subsidiary in Krungsri's Financial Business Group.
- On December 24, 2020, Ngern Tid Lor Company Limited (NTL), Krungsri's joint venture in which approximately 50 percent of the shares is held by the Bank and the other 50 percent is held by SACA, submitted an application for approval of the offering of newly issued ordinary shares, and an application with SET for approval of the listing of ordinary shares on SET.
- Krungsri formulated the third MTBP for 2021-2023 with the aspiration to 'Be the Preferred Thai Bank Connecting Customers' Needs across ASEAN'.

SIGNIFICANT CHANGES AND DEVELOPMENTS IN THE PAST THREE YEARS

2021:

- Krungsri and Krungsri Finnivate, in collaboration with the Digital Economy Promotion Agency (depa), developed the potential and fostered the growth of Thai startups overseas by synergizing with the solid networks of MUFG and MUFG Innovation Partners.
- On February 3, 2021, Krungsri announced the third Medium-Term Business Plan (2021-2023), with the aspiration to 'Be the Preferred Thai Bank Connecting Customers' Needs across ASEAN', driven by five strategic directions, comprising One Retail Transformation, Commercial Business Enhancement, Ecosystem and Partnership, ASEAN Expansion, and New Revenue Streams, based on the success of the previous MTBP and the world's megatrends. Under the third MTBP, which draws on the potential of synergies between MUFG's expertise and global network and Krungsri's outstanding strengths for sustainable growth, Krungsri aimed to focus on better responding to customer needs along with accelerating sustainable growth in new markets outside the country.
- On May 10, 2021, the ordinary shares of Ngern Tid Lor Public Company Limited, or TIDLOR, which operates a vehicle title loan business and is a joint venture of Krungsri, saw their first day of trading on SET. The initial public offering (IPO) subscription price of TIDLOR was 36.50 baht.
- On June 10, 2021, the Board of Directors resolved to appoint Mr. Takanori Sazaki as a Bank's Director, the Vice Chairman, and a member of the Nomination and Remuneration Committee in replacement of Mr. Noriaki Goto, who resigned effective June 10, 2021.
- On August 25, 2021, Krungsri announced the acquisition of SHBank Finance Company Limited (SHB Finance) through the purchase and receipt of 100 percent of charter capital in SHB Finance, which operates a consumer finance business in Vietnam, from Saigon-Hanoi Commercial Joint Stock Bank, with a total consideration of approximately 3,590.3 billion Vietnamese dong (equivalent to approximately 5.18 billion baht), marking another milestone reached in accordance with our ASEAN business expansion strategic direction. The transaction was divided into two phases:
 - o The purchase and receipt of the transfer of 50 percent of charter capital in SHB Finance for a consideration



of approximately 1,573.4 billion Vietnamese dong (equivalent to approximately 2.27 billion baht)

- o The purchase and receipt of the transfer of the remaining 50 percent of charter capital after the first transaction, which will be conducted three years after the completion of the first transaction, for a consideration of approximately 2,016.9 billion Vietnamese dong (equivalent to approximately 2.91 billion baht)
- On December 27, 2021, Krungsri declared an ambitious Carbon Neutrality Vision, committing to decarbonizing its own operations by 2030 and its financial services by 2050, and laying out strategic initiatives to support the sustainable transformation of the Thai society and business sector into a low-carbon society.

2022:

- Krungsri was selected by the Bank of Thailand (BOT) as one of the financial institutions in Thailand to be the BOT's preferred partner to start operating a pilot test for the 'Retail Central Bank Digital Currency' (Retail CBDC or CBDC).
- On June 22, 2022, the Bank's Board of Directors passed the resolutions as follows:
 - o To approve SB Finance, Inc. (SBF), in which the Bank holds 50 percent of shares, in purchasing the Corporate Salary Loan portfolio from Security Bank Corporation (SBC). The transaction ended in July 2022. Total transaction value is 565 million Philippine pesos or approximately 356 million baht, according to the discounted cash flow (DCF) method.
 - o To appoint Mr. Daisuke Ejima as a Bank Director, the Vice Chairman, and a member of the Nomination and Remuneration Committee in replacement of Mr. Takanori Sazaki, who resigned from the Bank, and appoint Mr. Jiro Omori as a Bank Director and a member of the Risk and Compliance Committee in replacement of Mr. Hisashi Kanamori, who resigned from the Bank, effective July 20, 2022
- On July 27, 2022, the Bank's Board of Directors approved the proposal to the Extraordinary General Meeting of Shareholders to consider and approve the acquisition of business through the purchase of 99.1 percent of the share capital of Capital Nomura Securities Public Company Limited (CNS), which operates a securities business in Thailand, from Nomura Asia Investment (Singapore) Pte Ltd. (NAIS), with the intention of offering to purchase up to 0.9 percent of the share capital of CNS from the minority shareholders of CNS, amounting to 100 percent of the share capital of CNS, with total consideration of up to approximately USD 155.3 million or 5.50 billion baht.
- On September 28, 2022, Krungsri became an official signatory of the UN Principles for Responsible Banking – a single framework for a sustainable banking industry developed through a partnership between banks worldwide and the United Nations Environment Programme Finance Initiative (UNEP FI).
- On November 24, 2022, the Bank's Board of Directors approved the proposal to the Extraordinary General Meeting of Shareholders to consider and approve the acquisition of the consumer finance business of Home Credit in Indonesia and the Philippines. The details are as follows;

- o The purchase of 75.0 percent of the share capital of PT. Home Credit Indonesia from Home Credit Indonesia B.V. and Ms. Wanda Ariestiani Evans with the consideration of approximately EUR 176.4 million or 6.6 billion baht (the acquisition of Home Credit Indonesia); and
- o The purchase of 75.0 percent of the share capital of HC Consumer Finance Philippines, Inc. and 100.0 percent of the share capital of HCPH Financing 1, Inc. and HCPH Insurance Brokerage, Inc. from HC Philippines Holdings B.V. and Filcommerce Holdings, Inc. with the consideration of approximately EUR 297.6 million or 11.1 billion baht (the acquisition of Home Credit Philippines).

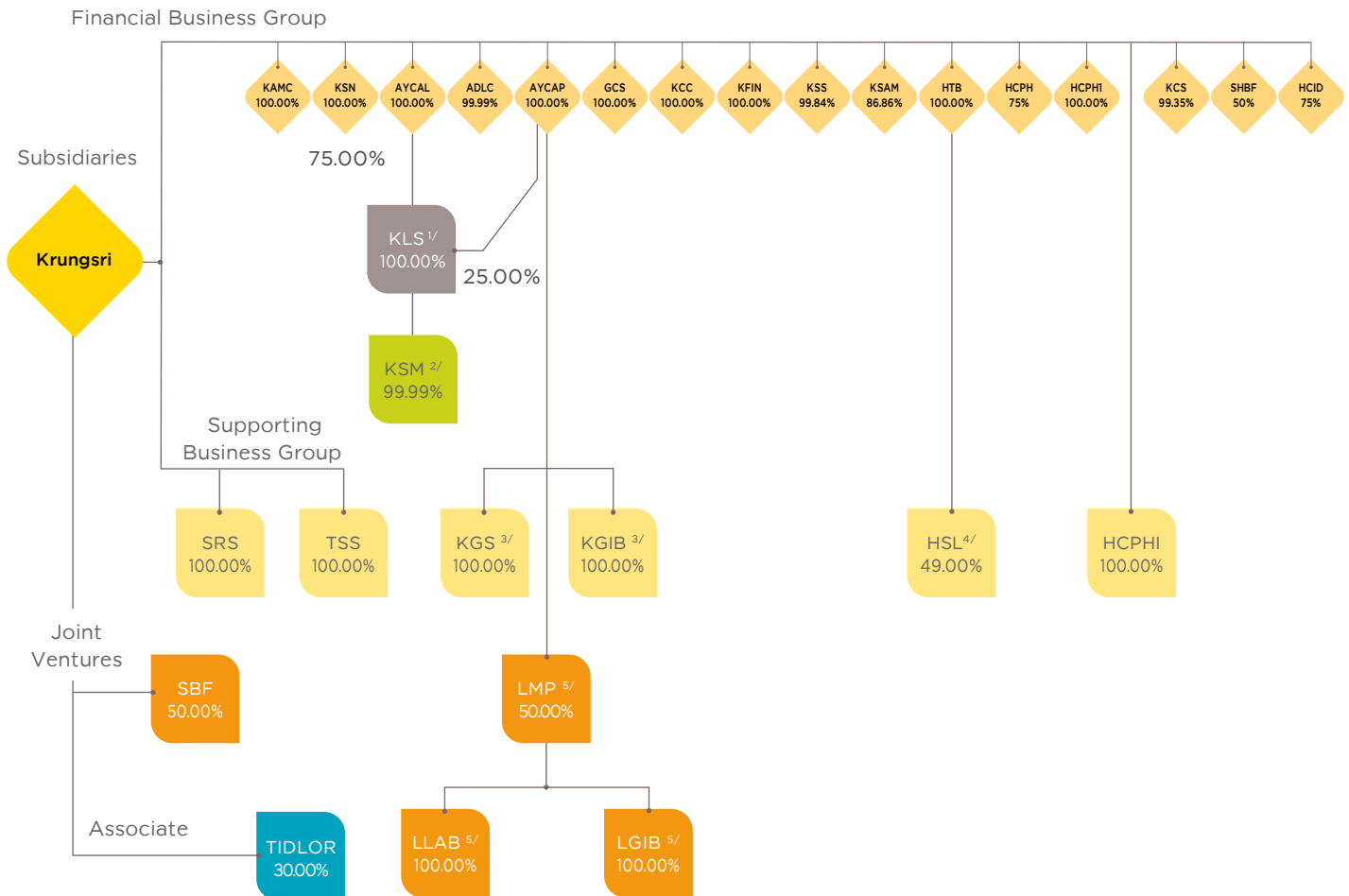
Collectively, they are called the 'Transaction of Home Credit Indonesia and Philippines'. The consideration of the Transaction of Home Credit Indonesia and Philippines is approximately EUR 473.9 million or 17,700.8 million baht.

2023:

- Krungsri launched 'ASEAN LINK', a center of advisory services for doing business in ASEAN through the strong network of Krungsri and MUFG to provide a new business advisory service that facilitates expansion into ASEAN markets.
- On January 17, 2023, the Electronic Extraordinary General Meeting of Shareholders No. 1/2023 (e-EGM) resolved to approve the acquisition of Home Credit's consumer credit services business in Indonesia and the Philippines, and has completed the purchase and transfer of all shares. As a result, Home Credit Indonesia is now a company in the Bank's Financial Business Group (Solo Consolidation).
- On March 7, 2023, the Bank completed the acquisition of business through the purchase of 99.1 percent of the share capital of CNS from NAIS. As a result, CNS is now a company in Krungsri's Financial Business Group (Non-Solo Consolidation), and its name has been changed to Krungsri Capital Securities PCL (KCS).
- On April 21, 2023, the Board of Directors resolved to appoint Mr. Kenichi Yamato as a Bank's Director and the President and Chief Executive Officer in replacement of Mr. Seiichiro Akita, who resigned effective May 15, 2023.
- On May 23, 2023, the Bank informed SET that it had completed the purchase and receipt of the first transfer of Charter Capital for the acquisition of SHB Finance.
- On June 28, 2023, the Board of Directors resolved to appoint Mr. Karun Kittisataporn as the Advisor to the Board of Directors effective from July 25, 2023, to April 30, 2026.
- On July 25, 2023, the Board of Directors resolved to elect Mr. Noriaki Goto as a Bank's Director (Independent Director) and appoint him as the Chairman of the Board in replacement of Mr. Karun Kittisataporn, who resigned effective July 25, 2023.

SHAREHOLDING STRUCTURE AND BUSINESS OPERATIONS OF THE COMPANIES IN KRUNGSRI GROUP

SHAREHOLDING STRUCTURE



KAMC = Krungsri Ayudhya AMC Ltd.

HTB = Hattha Bank Plc.

TSS = Total Services Solutions PCL

KSN = Krungsri Nimble Co., Ltd.

HCPH = HC Consumer Finance Philippines, Inc.

KGS = Krungsri Genesis Co., Ltd.

AYCAL = Ayudhya Capital Auto Lease PCL

HCPHI = HCPH Financing 1, Inc.

KGIB = Krungsri General Insurance Broker Ltd.

ADLC = Ayudhya Development Leasing Co., Ltd.

HCPHI = HCPH Insurance Brokerage, Inc.

HSL = Hattha Services Co., Ltd.

AYCAP = Ayudhya Capital Services Co., Ltd.

KCS = Krungsri Capital Securities PCL

SBF = SB Finance, Inc.

GCS = General Card Services Ltd.

SHBF = SHBank Finance Company Limited

LMP = Lotus's Money Services Ltd.

KCC = Krungsriayudhya Card Co., Ltd.

HCID = PT. Home Credit Indonesia

LLAB = Lotus's Life Assurance Broker Ltd.

KFIN = Krungsri Finnivate Co., Ltd.

KLS = Krungsri Leasing Services Co., Ltd.

LGIB = Lotus's General Insurance Broker Ltd.

KSS = Krungsri Securities PCL

KSM = Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd.

TIDLOR = Ngern Tid Lor PCL

KSAM = Krungsri Asset Management Co., Ltd.

SRS = Siam Realty and Services Security Co., Ltd.

Remarks: ^{1/} KLS is Krungsri's subsidiary in which we indirectly hold 100.00 percent of shares via AYCAL at 75.00 percent and AYCAP at 25.00 percent.

^{2/} KSM is Krungsri's subsidiary in which we indirectly hold 99.99 percent of shares via KLS.

^{3/} KGS and KGIB are Krungsri's subsidiaries in which we indirectly hold 100.00 percent of shares in each company via AYCAP.

^{4/} HSL is Krungsri's subsidiary in which we indirectly hold 49.00 percent of shares via HTB.

^{5/} LMP, LLAB and LGIB are Krungsri's joint ventures in which we indirectly hold 50.00 percent of shares in each company via AYCAP.

SHAREHOLDING AND BUSINESS OPERATIONS OF THE COMPANIES IN KRUNGSRI GROUP

Krungsri holds shares directly and indirectly in 24 subsidiaries, four joint ventures, and one associate as defined by the Securities and Exchange Commission; the information as of December 31, 2023, is as follows:

Company Name	Type of Business	Registered Capital	Paid-up Capital	Krungsri's Shareholding
		(Million Baht)	(Million Baht)	(Percent)
SUBSIDIARIES				
Financial Business Group				
1. Hattha Bank Plc. ^{1/}	Commercial bank in Cambodia	4,534.8	4,534.8	100.00
2. Krungsri Ayudhya AMC Ltd.	Purchase or accept the transfer of impaired assets (NPA and NPL) for management through debt restructuring or purchasing their collateral for disposal including undertaking NPA maintenance to ensure they are in good condition and ready for sale	2,700.0	2,700.0	100.00
3. Krungsri Nimble Co., Ltd.	Provide information technology services to Krungsri and all companies in Krungsri's Financial Business Group only	300.0	300.0	100.00
4. Ayudhya Development Leasing Co., Ltd.	Provide financial lease and hire purchase services to enable SMEs and large corporations to acquire machinery, equipment, and all types of commercial vehicles for business use	1,235.0	1,235.0	99.99
5. Ayudhya Capital Auto Lease PCL	Hire purchase for motorcycles and top-up loans for existing customers and inventory financing for car dealers	28,845.0	25,545.0	100.00
6. General Card Services Ltd.	Credit card and personal loan	3,458.0	3,458.0	100.00
7. Ayudhya Capital Services Co., Ltd.	Sales financing (merchandise installment financing), personal loans, credit card and nano finance products	5,925.0	5,925.0	100.00
8. Krungsriayudhya Card Co., Ltd.	Credit card and personal loan	5,905.5	5,905.5	100.00
9. Krungsri Finnovate Co., Ltd.	Venture capital	2,500.0	2,500.0	100.00
10. Krungsri Securities PCL	Securities business	1,350.0	1,350.0	99.84
11. Krungsri Asset Management Co., Ltd.	Asset management	350.0	350.0	86.86
12. HC Consumer Finance Philippines, Inc.	Personal loans and credit cards	5,234.7	4,569.8	75.00
13. HCPH Financing 1, Inc	Asset management	24.6	24.6	100.00
14. Krungsri Capital Securities PCL	Securities business	2,150.5	2,150.5	99.35
15. SHBank Finance Company Limited	Personal loans	1,471.0	1,471.0	50.00
16. PT. Home Credit Indonesia	Personal loans	1,895.9	1,421.9	75.00
17. Krungsri Leasing Services Co., Ltd. ^{2/}	Leasing/Hire purchase/Sales finance in Lao PDR	905.5	905.5	100.00
18. Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd. ^{3/}	Microfinance institution that does not accept deposits in Lao PDR	32.6	32.6	99.99

Company Name	Type of Business	Registered Capital	Paid-up Capital	Krungsri's Shareholding
		(Million Baht)	(Million Baht)	(Percent)
Supporting Business				
19. Siam Realty and Services Security Co., Ltd.	Provide car rental and human resources service to Krungsri Group	100.0	100.0	100.00
20. Total Services Solutions PCL	Life insurance broker	401.5	401.5	100.00
21. Krungsri Genesis Co., Ltd. ^{4/}	Collection services	295.0	295.0	100.00
22. Krungsri General Insurance Broker Ltd. ^{4/}	Non-life insurance broker	202.0	202.0	100.00
23. Hattha Services Co., Ltd. ^{5/}	Supporting business in relation to property development for operations of Hattha Bank Plc. and subsidiaries under Krungsri's Financial Business Group only	0.03	0.03	49.00
24. HCPH Insurance Brokerage, Inc	General insurance broker	184.8	15.8	100.00
JOINT VENTURES				
25. Lotus's Money Services Ltd.	Credit card and personal loan	2,080.0	2,080.0	50.0
26. Lotus's Life Assurance Broker Ltd. ^{6/}	Provide life insurance products to customers of Lotus's Money Services Ltd. and Lotus's stores	12.0	12.0	50.0
27. Lotus's General Insurance Broker Ltd. ^{6/}	Provide non-life insurance products to customers of Lotus's stores	107.0	107.0	50.0
28. SB Finance, Inc.	Undertake consumer finance business in the Philippines	3,563.3	2,591.5	50.0
ASSOCIATE				
29. Ngern Tid Lor PCL	Provide sale and lease-back via hire purchase and secured loan contracts to customers who already hold titles to cars and other vehicles, as well as non-life insurance brokerage service	10,395.2	10,395.1	30.00

Remarks: ^{1/} Krungsri's subsidiary in which we directly hold 100.00 percent of shares. Formerly Hattha Kaksekar Limited, Microfinance Deposit Taking Institution; obtained approval from relevant regulators both in Thailand and Cambodia to expand its business to be a commercial bank on August 26, 2020.

^{2/} Krungsri's subsidiary in which we indirectly hold 100.00 percent of shares through Ayudhya Capital Auto Lease PCL at 75.00 percent and Ayudhya Capital Services Co., Ltd. at 25.00 percent.

^{3/} Krungsri's subsidiaries in which we indirectly hold 99.99 percent of shares through Krungsri Leasing Services Co., Ltd.

^{4/} Krungsri's subsidiaries in which we indirectly hold 100.00 percent of shares in each company through Ayudhya Capital Services Co., Ltd.

^{5/} Krungsri's subsidiary in which we indirectly hold 49.00 percent of shares through Hattha Bank Plc.

^{6/} Subsidiaries of Lotus's Money Services Ltd.

MEDIUM-TERM BUSINESS PLAN

Krungsri's aspiration to 'Be a leading regional financial institution with global reach' through sustainable growth is clearly reflected in the Bank's Medium-Term Business Plan (MTBP). This plan serves as a transformation of the Bank's vision into actionable operations, building upon the foundation of past successes. It encompasses the Bank's goals and plans over a three-year period, along with strategies for managing the changing economic environment and evolving customer needs. We remain committed to closely collaborating with MUFG to jointly expand our network, supporting the growth of both corporate and retail customers through the offering of various solutions, providing optimal guidance while prioritizing customer needs continues to be our focal point.

THE THIRD MEDIUM-TERM BUSINESS PLAN (2021-2023)

2021 marked the inaugural year of our third MTBP, covering the period from 2021 to 2023. Formulated through an evaluation of significant successes and challenges from the prior two plans, the third MTBP (2021-2023) took into account business operations amidst the impact of the COVID-19 pandemic. This plan also considered the changes in the global and domestic market environments and trends.

For the third MTBP (2021-2023), our aspiration was to 'Be the preferred Thai bank connecting customers' needs across ASEAN'. We identified five strategic directions and three key enablers as follows:

► FIVE STRATEGIC DIRECTIONS

1. One Retail Transformation
2. Commercial Business Enhancement
3. Ecosystem and Partnership
4. ASEAN Expansion
5. New Revenue Streams

► THREE KEY ENABLERS

1. Productivity and Efficiency
2. IT, Digital and Analytics
3. People and Organization

Krungsri implemented both the strategic directions and key enablers through the execution of key initiatives, enabling us to achieve our aspirations.

ACHIEVEMENTS UNDER THE THIRD MEDIUM-TERM BUSINESS PLAN (2021-2023)

We achieved significant success and notable progress in implementing new strategies and projects under the third MTBP (2021-2023). Some outstanding achievements include:

- **ASEAN Expansion:** We successfully acquired shares in SHBank Finance Company Limited (SHB Finance) in Vietnam, HC Consumer Finance Philippines, Inc. (Home Credit Philippines) in the Philippines, and PT. Home Credit Indonesia (Home Credit Indonesia) in Indonesia. Currently, Krungsri has a network presence in six ASEAN countries apart from Thailand, namely Myanmar, Cambodia, Indonesia, the Philippines, Lao PDR, and Vietnam. The expansion enables the provision of 'Connectivity' services across ASEAN in four areas: business opportunities, cross-border business transactions, offshore investment, and connectivity of various benefits for customers.
- **Sustainable Banking:** Krungsri supported customers in transitioning and operating according to ESG guidelines through various projects for both corporate and retail customers. For corporate customers, the Bank provided funding for energy conservation projects, such as solar energy roofs, electric vehicle (EV) charging stations, and alternative energy. Additionally, we offered sustainability-linked loans and bonds, while also promoting sustainability in green businesses, social enterprises, and other businesses as a top priority. For retail customers, the Bank offered loans for electric vehicles (EV), social responsibility-linked loans, and ESG-related funds. Further, with our unwavering commitment to ESG principles, Krungsri obtained the highest AAA rating in ESG, awarded by the Stock Exchange of Thailand. Moreover, Krungsri has been selected as one of the top 100 listed companies with outstanding performance in environmental, social, and governance (ESG). Krungsri's inclusion on the ESG100 list for the eighth consecutive year reflects our commitment to integrating ESG aspects into business operation strategies toward sustainable banking.

Nevertheless, we are aware of the challenging environment amid rapid changes in the banking industry due to the digital and innovation developments. Krungsri remains steadfast in executing strategies outlined in the MTBP, while maintaining resilience in adjusting operational plans in response to the evolving business environment.

INTRODUCING THE FOURTH MEDIUM-TERM BUSINESS PLAN (2024-2026)

For the fourth MTBP, our goal is 'To be the leading sustainable and regional bank.' 2024 marks the initiation of this new MTBP covering the period from 2024 to 2026. The Bank's considerations for this plan are grounded in significant successes and challenges from the three previous MTBPs, encompassing changes in the global and domestic market environments and trends. As part of the fourth MTBP, we have outlined three strategic pillars as follows:

▶ THREE STRATEGIC PILLARS

- 1. Sustainable Growth—Empowering a Brighter Future & Make Life Simple:** The Bank conducts its business with the aim of becoming a leading commercial bank through various strategies, including strengthening its leading position through One Retail execution, reimagining toward the commercial banking of the future, expanding the transaction banking business through innovation, positioning regional-linked business, positioning ESG-linked business, and diversifying businesses through partnerships and ecosystems.
- 2. Productivity & Efficiency—Lean Organization & Resource Reallocation:** The Bank considers adjustments to or reductions of inefficient processes, including low-return products and services, to efficiently allocate resources. This focus involves reallocating resources toward new processes by using current technology and developing new products and services that meet market demands. The objective is to enhance operational efficiency and maximize the utilization of limited available resources for optimal benefit.
- 3. Corporate Transformation—Future-ready Organization:** The Bank is preparing to transition into a future-oriented organization by incorporating digital technology to analyze business operation data, aiming to adapt to new business opportunities. This includes adapting the organizational culture to be agile and responsive to the rapidly changing needs and lifestyles of customers.

We will execute this strategy through various significant initiatives, enabling the Bank to achieve the desired objectives.



LEVERAGING SYNERGIES WITH MUFG

SYNERGY HIGHLIGHTS

Our focus on leveraging the complementary strengths of Krungsri and MUFG showed steady progress throughout 2023. The power of synergy between the two boosts our competitive strength and ability to offer superior products and services, as demonstrated by various achievements.

- Payroll account acquisition:** Krungsri has acquired more than 115,000 payroll accounts since the integration with MUFG Bank, Ltd. (MUFG Bank)'s Bangkok Branch in 2015, and promoted cross-selling of retail banking services such as credit cards and personal loans to employees of Japanese corporate clients.
- Supply chain financing:** The Bank continued to promote end-to-end solutions, ranging from supplier financing to dealer financing, tapping into the market of Japanese manufacturers and their supply chains. Leveraging MUFG's long-term relationships with Japanese car manufacturers, Krungsri discovered considerable business opportunities in the auto dealer segment and cross-sold to gain substantial wallet share in the hire purchase business.
- Business matching:** In June 2023, Krungsri held the Japan-ASEAN Startup Business Matching Fair 2023, an event deemed the largest startup matching event in ASEAN, to give startups access to investment opportunities and support their expansion beyond ASEAN. Key participants in the event included Japan's Ministry of Economy, Trade and Industry (METI), Thailand's Digital Economy Promotion Agency (depa), the Techo Startup Center, and Khmer Enterprise (KE), a state entity under Cambodia's Ministry of Economy and Finance. To mark the 50th anniversary of ASEAN-Japan relations and promote trade between ASEAN countries and Japan, this event provided opportunities for more than 60 startups from nine countries to showcase their growth potential to more than 160 investors from six countries.

In November 2023, Krungsri hosted the 11th annual Krungsri-MUFG Business Matching Fair 2023. Aiming to expand networks and drive growth opportunities for business customers through environmental, social, and governance (ESG) and ASEAN strategies, this international business matching event welcomed over 100 entrepreneurs from Thailand, Japan, and other ASEAN nations. This collaborative effort underscores Krungsri's dedication to enhancing the potential of its business customers and reflects Krungsri's commitment to being the preferred Thai bank connecting customers' needs across ASEAN.

- **Investment banking:** Krungsri collaborated with MUFG on a regular basis to support Thai clients in various fields, namely ESG, project finance, and merger and acquisition (M&A). For instance, we leveraged MUFG's expertise and network in the field of ESG to share both local and international case studies and to highlight the importance of sustainable finance, while also creating and providing value-added funding solutions to support clients in their ESG journey. Moreover, we collaborated with MUFG to support foreign subsidiaries of our Thai clients in the refinancing of power generating assets in Australia, whereby these peaking assets complement the client's portfolio of renewable assets, further reinforcing MUFG's position as a frontrunner in the financing of Australia's energy transition. In addition, with MUFG's global network and partner banks' relationships in ASEAN, our M&A team has been able to expand its coverage to many leading and reputable strategic investors and financial sponsors in various sectors including renewable energy, technology, media and telecoms (TMT), real estate, retail, and food and beverages (F&B). This substantially enhanced our market position as a leading and top-of-mind Thai commercial bank in the field of cross-border M&A advisory services for both inbound and outbound transactions, highlighted by the largest renewable energy M&A deal in Vietnam executed in 2022, while the momentum continued into 2023 with deals executed in Thailand, Vietnam, and Indonesia.
- **Transaction Banking:** Krungsri continued to enhance its infrastructure foundation and financial services with more variety, while efficiently responding to customers' needs in all segments. This enabled customers to make transactions more easily, conveniently, and on a real-time basis, and covers payments and funds transfers for both domestic and international transactions, especially in ASEAN. Moreover, Krungsri's capabilities create tangible value for MUFG by capitalizing on our networks among partner banks to offer our customers unparalleled payment services as well as supporting customer trade flow for both inbound and outbound across the region.

- **Cross-border business:** Krungsri utilized MUFG's global network and expertise to support local corporations and other customers in Thailand that are becoming increasingly globalized and ESG-focused, and are in need of effective global banking services, whether within ASEAN or further afield. An example of our success is Krungsri and MUFG Bank's provision of various solutions for customers' cross-border business. Collaboration with other partner banks is also ongoing and expanding by leveraging their local network and expertise.

Throughout 2023, Krungsri and MUFG synergies allowed Krungsri to better respond to our clients' financial needs. 2023 marked the 10th anniversary of Krungsri becoming part of MUFG, and we were able to obtain various achievements through collaborative activities. Looking to 2024 and beyond, Krungsri will continue to enhance our customer service capabilities by uniting MUFG's global platform and networks with our local expertise and strengths.

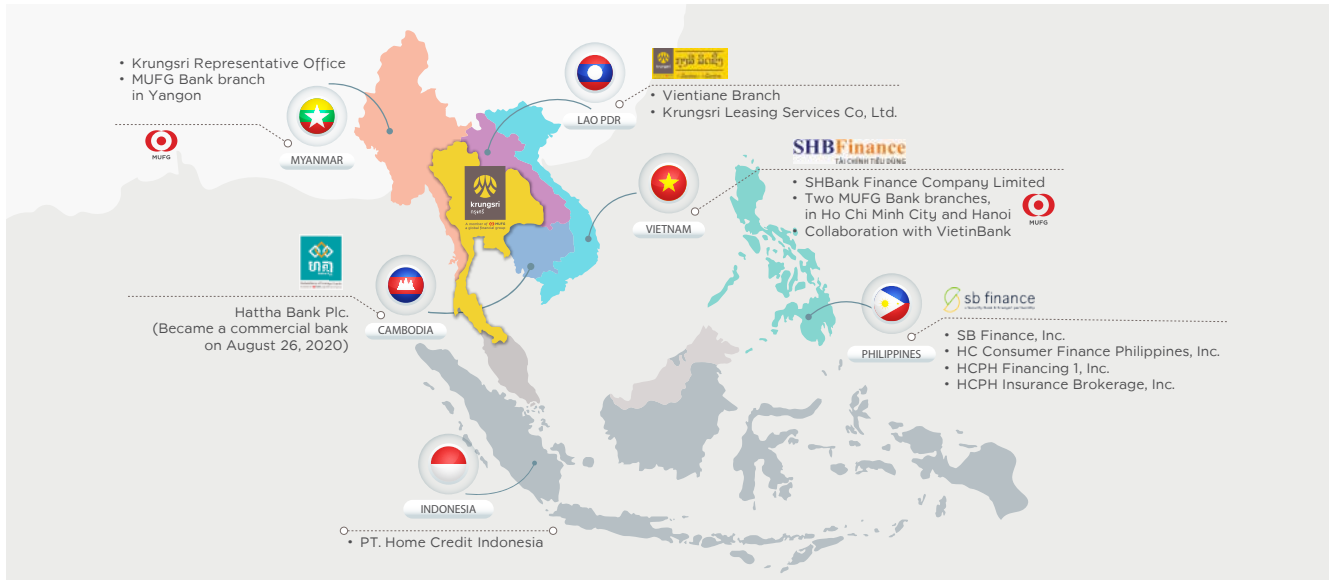
EXPANDING OUR BUSINESS IN THE REGION

The ASEAN economic outlook remained promising in 2023. The implementation of initiatives such as the ASEAN Economic Community (AEC) and the Regional Comprehensive Economic Partnership (RCEP) is anticipated to deepen economic cooperation, fostering a more integrated and resilient bloc. In 2023, Krungsri obtained regulatory approval for and successfully closed three deals in three ASEAN countries.

Vietnam: On May 22, 2023, Krungsri completed the acquisition of the first 50 percent of capital contribution of SHBank Finance Company Limited (SHB Finance), one of the leading consumer finance businesses in Vietnam. Krungsri is confident that its synergy with SHB Finance will strengthen SHB Finance's brand, performance, and position as a top player in Vietnam's consumer finance market.

The Philippines: On June 1, 2023, Krungsri completed the acquisition of a 75-percent stake in HC Consumer Finance Philippines, Inc., a consumer finance business in the Philippines, while MUFG concurrently completed its acquisition of the remaining 25-percent stake. In addition, Krungsri completed 100-percent stake acquisitions of both HCPH Financing 1, Inc., and HCPH Insurance Brokerage, Inc. This strategic move will strengthen Krungsri's position in the Philippines after Krungsri's first investment in the country, in SB Finance, Inc., which occurred in 2020.

Indonesia: On October 2, 2023, Krungsri completed its acquisition of a 75-percent stake in PT. Home Credit, a consumer finance business in Indonesia. Moving forward,



Krungsri is committed to forging a close collaboration with Home Credit to expand new business partners, grow its customer base, and deliver innovative products and services that cater to the evolving needs of the Indonesian market.

These milestones boosted Krungsri's presence in ASEAN countries, including Lao PDR, Cambodia, the Philippines, Vietnam, Indonesia, and a representative office in Myanmar. This achievement aligns with Krungsri's regional expansion strategy across ASEAN.

DIGITAL BANKING AND INNOVATION

CONSUMER DIGITAL SOLUTION DIVISION

In 2023, Krungsri continued to develop digital channels to enhance efficiency and convenience in delivering daily financial services. The Bank is committed to 'making life simple' for customers by aligning with the needs and behaviors of each customer segment. Delivering a range of interconnected financial products through diverse channels, the Bank maximizes the use of data analytics capabilities and continually improves infrastructure to make it modern and flexible, while enhancing cybersecurity in various formats to reduce risks from cyber threats. This ensures that customers can use the Bank's services securely, with stability and easy access to various banking products and services, for an outstanding user experience. In 2023, Krungsri Mobile Application (KMA) enhanced key features to meet key business objectives as follows:

Enhance digital channel security to mitigate cyberthreats

- KMA was developed to be able to identify suspicious applications not downloaded from trusted official stores. The system is designed to prevent malware applications that could compromise mobile devices by exploiting the Accessibility service and impersonating transactions. Upon detecting a suspicious application, the system will deny access to KMA and promptly alert the user. This initiative seeks to strengthen the confidence of customers in effectively managing cyber risks.
- Security measures were enhanced to prevent financial frauds by incorporating biometric face scanning capabilities. Customers are now required to scan their face for specific transactions, including transferring amounts from 50,000 baht per transaction, cumulative daily transactions from 200,000 baht, adjusting transfer limits from 50,000 baht, and registering for payment services. Additionally, the Bank encourages customers without a registered photo to visit one of our branches nationwide to complete the registration.
- A mobile phone security awareness assessment is implemented when accessing KMA, and regular evaluations are conducted every six months. The Bank actively engages in communication initiatives to strengthen defenses against emerging forms of fraud through various digital channels, aiming to enhance financial literacy in the digital era.

Upgrade digital channel user experience

- International financial options were broadened through strategic partnerships with leading payment partners. KMA facilitates seamless money transfers abroad via the SWIFT network, Western Union international money transfer, Krungsri International PromptPay for instant transactions between Thailand and Singapore, and



NIUM—a global payment platform, the latest collaboration to enhance real-time transfers to new countries. Customers can easily specify the currency and recipient details in KMA's International Transfer Menu, allowing the system to automatically choose the most cost-effective and fastest money transfer option. With a selection of 15 major currencies and access to more than 220 countries worldwide, customers can enjoy a seamless and effortless cross-border transaction experience.

- The QR Cross-border Payment service was expanded to facilitate easy, convenient, and secure cross-border transactions around the clock in real-time. This solution was extended to include Hong Kong, in addition to the six countries where it was initially launched: Japan, Cambodia, Indonesia, Malaysia, Singapore, and Vietnam. This advancement provides a real-time competitive exchange rate, allowing tourists and business travelers to avoid carrying large amounts of cash.
- Digital identity verification capabilities were introduced for corporate accounts to support the approval process for account opening and other key online services through KMA. This improvement allows corporate customers to receive services swiftly, minimize complexity, and enhance convenience.
- Customers were enabled to withdraw cash using Click4Cash from personal loan revolving credit lines, allowing 24/7 cash transfers to savings accounts through KMA. This service leverages modern innovation to enhance flexibility in addressing unexpected financial needs.
- Technology was leveraged to analyze individual customer data, enabling the Bank to efficiently offer personalized services through KMA. This approach responds to the complex and diverse behaviors of customers, fostering enduring relationships by promptly and securely addressing their needs in the digital age.

In the upcoming phase of KMA enhancement, the Bank is committed to advancing its system stability and efficiency. The primary focus continues to be on elevating the technological infrastructure to seamlessly meet customer needs and adapt to the increasing demand for digital channel services. This improvement aims to efficiently accommodate all user activities and anticipate the growing trend of transactions. Additionally, the Bank intends to support and reinforce security measures to ensure that customers can confidently engage with digital services.

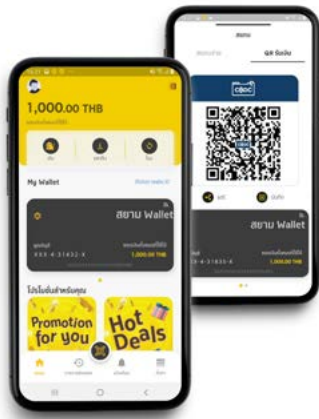
COMMERCIAL DIGITAL SOLUTION DIVISION

Digital transformation in business has evolved throughout the 'new normal' era, especially in 2023 where Krungsri swiftly leveraged digital technologies, thanks to experience gained during the COVID-19 pandemic and openness to integrate technology in ways compatible to our business. Krungsri increasingly perceives this emergence as a critical bridge between our traditional businesses and our future, resulting in our innovation and proliferation of new commercial digital solutions in 2023 with the ultimate purpose of helping business customers maintain their legacy of growth.

Krungsri Biz Online is a well-recognized digital platform serving a broad range of business segments. In 2023, the platform experienced double-digit customer growth, at 37 percent. This reflected vigorous digital transformation among business customers to unleash their competitive edge in an ever-changing market.

Krungsri is strongly committed to amplifying the customer experience, focusing on convenience while making security a top priority. Early in 2023, the Bank elevated the security standard of the digital business platform with 'App Shield', which suspends access to the Krungsri Biz Online platform in cases where mobile phones are compromised by cybersecurity incidents. Later in the year, PIN verification was introduced for processing transactions on Krungsri Biz Online, coupled with the launch of facial verification required to complete high-value transactions or business information amendments. In addition, Krungsri expanded channels for transaction notifications via Biz @LINE/Biz Alert, through which other services are also provided such as balance summary request and information inquiries.

Looking beyond domestic transactions, Krungsri has given importance to international financial services by expanding solutions and currency accommodation to satisfy growing business needs.



Krungsri has focused on the next-generation financial landscape for years, working with the Bank of Thailand to pioneer the adoption of Central Bank Digital Currency (CBDC) encompassing Retail CBDC and Wholesale CBDC, or the so-called 'm-Bridge'.

In February 2023, as one of the participants in the Retail CBDC pilot test ('Pilot to Learn') conducted by the Bank of Thailand, Krungsri launched the 'CBDC Krungsri' mobile application for use in the closed-loop pilot with staff and merchants at the Bank of Thailand. In May, via 'CBDC Krungsri', the pilot rolled out to merchants at Krungsri headquarters together with nearly 100 merchants located near Krungsri offices, ranging from small merchants to major retailers that typically have more complicated payment and accounting systems. 2,000 staff also joined the pilot project.

In light of the Wholesale CBDC, Krungsri has been selected as one of the five participants in the pilot, which is expected to kick off at the beginning of 2024. There will be 22 central banks around the world observing this full-fledged pilot in order to find the mutual practice to be developed in a new common financial landscape where every central bank can deploy without adjusting their existing regulatory structure. In all of this, Krungsri is fully committed to nurturing innovative financial technologies and supporting the Bank of Thailand in delivering a new financial landscape that builds the future of Thailand's economic fundamentals.

Regarding commercial digital solution that involves the Thailand Blockchain Community Initiative (BCI), as one of the initiators, Krungsri saw increasing usage of electronic Letter of Guarantee (e-LG) in 2023, reflected by year-on-year growth in the number of transactions and amount by 11 percent and 12 percent, respectively. Another service, the electronic Bank Confirmation (e-BC) platform, together with service agreement, was successfully developed and is ready for the pilot in early 2024.

With our promise to 'Make Life Simple' for every customer segment, Krungsri has made an uncompromising effort to deliver innovative commercial digital solutions that cater to customer needs, along with a seamless experience for every customer segment to foster their sustainable future prosperity.

KRUNGSRI FINNOVATE

Krungsri Finnovate Company Limited (Krungsri Finnovate) is the venture capital arm of Krungsri Group, with the goal of being a strategic investor that supports startups in achieving their set objectives through our corporate venture capital (CVC) investment, strategic partnership, venture building, accelerator program, and ecosystem development. These initiatives are made possible through collaboration with the Bank's functions.

Our key mission is to support and promote not only startup businesses but also the overall tech ecosystem, both domestically and globally. Project areas include:

► KRUNGSRI UPCELERATOR STARTUP INCUBATOR PROGRAM

In collaboration with the Science and Technology Park at Chiang Mai University, Krungsri Finnovate launched the Krungsri UPcelerator program, which aims to nurture and enhance the potential of Thai startups through hands-on activities that transform ideas into rapidly growing startup businesses. The program focuses on mentoring and workshops—targeting students, researchers, professors, and entrepreneurs. The goal is to help them create business models that can evolve into market-ready businesses in the future, with support from Krungsri Finnovate and Stellar by Krungsri (Krungsri Innovation Center).

The Krungsri UPcelerator program attracted significant interest from early-stage startups, not only from the northern region but also from other regions looking to expand into the northern market. Over 100 startup teams expressed interest and applied; only 12 were selected by a panel of judges to join the intensive two-month startup development program. On Demo Day, these 12 teams pitched their businesses in front of the panel. The winner was Daywork, with Hangles as the first runner-up. Those two teams together with three more—Tambaan, OneCharge, and Cwallet—won the opportunity to work with Stellar by Krungsri (Krungsri Innovation Center).

► TDPK TALK X KRUNGSRI FINNOVATE

Krungsri Finnovate, in collaboration with True Digital Park, organized 'TDPK TALK x KRUNGSRI FINNOVATE,' a series inviting entrepreneurs or startups to share knowledge,



technology trends, and business experiences. This initiative is designed for those interested in learning about and understanding various aspects of the startup industry, and aims to help Thai entrepreneurs develop their businesses efficiently and grow according to each company's set goals.

The TDPK TALK x KRUNGSRI FINNOVATE series is held monthly, streamed through the Facebook pages of Krungsri Finnovate and True Digital Park. Twelve episodes were broadcast in 2023, featuring 21 experts in the startup and technology domains, with over 170,000 total views. Additionally, the program organized face-to-face networking events at True Digital Park once every quarter to facilitate exchanges, discussions, and networking among entrepreneurs. In 2023, Krungsri Finnovate organized two networking events, with a total of more than 60 participants.

► FINNOSPARK

Krungsri Finnovate launched the FinnoSpark program in November 2023, aiming to ignite great ideas among Thai startups. The program offers perspectives and experiences from experts in various fields, including marketing, investment, business operations, and new technological knowledge. FinnoSpark aims to hold events both online and onsite once every quarter. The first event was organized under the theme, 'Boosting Success Towards a Growing Business and a Sustainable World'. The event featured four startup founders sharing techniques for sustainable business practices and two marketing specialists revealing marketing secrets tailored for startups. There were more than 30 participants in the event.

► KFIN FAMILY (KRUNGSRI FINNOVATE ECOSYSTEM COMMUNITY)

In addition to having a philosophy of investing in startups with potential, Krungsri Finnovate aims to create an ecosystem conducive to strong startups and encourage collaboration among stakeholders in the startup industry, including startup entrepreneurs, investor groups, and both the public and private sectors. Therefore, Krungsri Finnovate started the Krungsri Finnovate Ecosystem Community, or KFIN Family, to achieve these goals.

In 2023, we organized a total of four events attended by more than 400 people from various partner companies, including investors, the public sector, and startup entrepreneurs. These four events featured activities allowing participants to expand their networks and build relationships within the startup community. There were also updates on the operations and future of Krungsri Finnovate.

► STARTUP STRATEGIC PARTNERSHIP

Krungsri Finnovate's key objective is to promote collaboration among the Bank's business units, startups, and technology companies in eliminating weaknesses and pain points or enhancing the efficiency of Krungsri Group's business units, while also developing new products and services for customers. Krungsri Group intends to promote from within and become a digital banking leader.

Driven mainly by collaboration between startups and Krungsri Group, Krungsri Finnovate completed 130 projects in 2023 across various business units throughout Krungsri Group, as well as with partners. Our clients and partners exhibited tremendous enthusiasm for connecting with startups to strengthen their businesses, and we are delighted to see this trend continue.

► CORPORATE VENTURE CAPITAL

Krungsri Finnovate allocates our proprietary capital to invest in startups with the aim of being their strategic investor. All of our investment is a reflection of clear strategic value in alignment with the Bank's objectives. Areas of interest include:

- Online business, active omnichannel with a seamless experience, QR code payment, and digital e-wallet
- Lending technology
- Robo advisor and wealth management technology
- Insurance technology
- SME and personal finance tools and technology
- Artificial intelligence (AI) and machine learning (ML)
- Remittance and international remittance technology; and
- Cybersecurity

Krungsri Finnovate has maintained its commitment to investing in startups. In 2023, we resolved to invest in seven enterprises, comprising five new entities and two existing ones. To date, our direct investments have been made in 22 entities, and we have invested in two entities through funds.

The newly added investments in startups include:

1. **Ahatech Pte. Ltd. (MFast):** MFast, the leading agent platform in Vietnam, is dedicated to fostering financial inclusion for all Vietnamese citizens. The MFast platform had the largest agent network nationwide, encompassing approximately 132,000 agents. Operating within the current business framework, MFast enables agents to explore loans, insurance products, bank accounts, and Digital Accounts Acquisition (DAA) offerings to end customers from its financial institution partners. Additionally, MFast aspires to expand its services to overseas countries to meet the needs of unbanked customers.
2. **Esquared Capital Limited (Klook):** Klook is the visionary behind a travel activities and services booking platform designed to connect travelers with experiences. The company's platform offers travelers a seamless way to discover and book popular attractions, tours, local transportation, excellent cuisines, and unique experiences globally. Travellers can make reservation anytime, anywhere via its website and applications.

KRUNGSRI NIMBLE

Krungsri Nimble was established to be the IT Solutions Hub for Krungsri Group. In 2023, the company played the main role in developing and supporting Krungsri Mobile Application (KMA) for retail customers and online applications for corporate and SME customers (KBOL). Krungsri Nimble also launched the 'Seamless Outsourcing' initiative linking the IT resources and outsourcing from seven IT companies to provide Krungsri Group faster and more efficient services. Under this initiative, the company will continue to explore linkages with other IT companies throughout ASEAN.

Krungsri Nimble also took part in creating innovations that bring the greatest benefit to society. The EMS (Emergency Medical System) profile application was developed by Krungsri Nimble for the National Institute for Emergency Medicine; through the Line platform, the company developed the SATI application for the SATI foundation. In addition, collaborating with the Department of Psychiatry, Faculty of Medicine Siriraj Hospital, Mahidol University, Krungsri Nimble helped to develop a virtual reality (VR) therapy technique for medical treatment support, e.g., treatment for patients afraid of heights and confined spaces. This VR headset empowered

by the company's expertise is a concrete testament to Krungsri Nimble's initiative that creates technology useful for both the medical community and society.

Moreover, the VR Virtual Workplace initiative was developed to benefit society in response to modern lifestyles and in alignment with the ESG concept, promoting an interactive digital experience of working from anywhere. Users of the application can hold a meeting in the Working Zone, and play games, such as darts, in the Activity Zone.

Additional technology and innovations that Krungsri Nimble jointly developed with Krungsri Group and the Bank of Thailand for sustainability growth include the blockchain-powered K Business Link (B2B), the CBDC project for the future digital currency, and enhancement of National Digital ID (NDID), the online know-your-customer (KYC) service that links with Krungsri Group's and partners' systems and platforms, e.g., ATMs and EDC machines in 7-Eleven outlets, etc.

As for human resources development, Krungsri Nimble established the QA Academy program, enabling staff recruitment and development in diverse regions of Thailand, beginning in Chiang Mai and other northern provinces. This will promote sustainable and inclusive manpower capacity building at the provincial level. The company also created the People, Culture, and Transformation team to accelerate digital transformation and an agile working culture for more efficient output and faster response to changing customer needs and preferences.

For our long-term plan, Krungsri Nimble aims to focus on delivering the best digital and IT solutions with optimization and automation, emphasizing people development and sustainable innovation. In this regard, the company has integrated ESG principles as a highlight of our business plans for the best interests of society, the environment, and Krungsri Group.



COMMERCIAL BANKING

CORPORATE AND INVESTMENT BANKING GROUP

The Corporate and Investment Banking Group focuses on growth in alignment with our aspiration to be a trusted partner and consistently enforce sustainability. We support our customers in various dimensions, including financial assistance, advisory services for funding in both debt and equity markets (IPO), trading, and mergers and acquisitions (M&A). We also collaborate with the Global Markets Group to provide risk management services through interest rates and currency exchange hedging, as well as the Transaction Banking Group. Additionally, we are committed to providing customers financial knowledge for ESG financing and developing financial products that promote and align with ESG principles. This includes advancing sustainable practices in alignment with the Thailand Taxonomy guidelines.

Furthermore, we closely collaborate with other entities, such as JPC/MNC Banking, SME Banking Group, and Retail and Consumer Banking, as well as the MUFG network, to enhance business opportunities for customers both locally and internationally.

Our successes in 2023 include:

Sustainability promotion

- Krungsri acted as the Green Structuring Advisor and the sole lender for a green loan totaling 3,000 million baht provided to SCG Packaging Public Company Limited (SCGP), a leading company. This marks SCGP's first green loan, intended for environmental investment projects which align with the technical screening criteria of ASEAN as well as the Thailand Taxonomy guidelines.
- Krungsri acted as the Mandated Lead Arranger and Bookrunner (MLAB) and Sustainability Coordinators for

a sustainability-linked loan (SLL) totaling 11,485 million baht for Thai Union Group Public Company Limited (Thai Union). This marks the second phase of the Blue Finance project, focusing on the financial management of Thai Union for marine environmental conservation. This SLL is the first of its kind in Thailand, with key performance indicators (KPIs) and sustainable performance targets (SPTs) linked to greenhouse gas emissions across scope 1, 2, and 3 boundaries, aligning with the Science-Based Targets initiative (SBTi) standards. The goal is to achieve net zero by 2050, while keeping the global temperature from increasing by more than 1.5 degrees Celsius.

- Krungsri extended a green loan for Central Pattana Public Company Limited (CPN) for environmental projects totaling 500 million baht.
- Krungsri jointly acted as a bookrunner and lead manager of bonds and debentures for sustainability and green projects with several key organizations as follows:
 1. A green bond issued by the Export-Import Bank of Thailand, totaling 3,500 million baht, serving as a funding source to support environmentally related projects for SMEs. This marked the second round of fundraising through a green bond, following the first one in 2022.
 2. The inaugural green bond issuance by Gulf Energy Development Public Company Limited, totaling 8,000 million baht, intended for repayment of its investments in wind power projects in Germany and expansion of its clean energy business.
 3. The inaugural green bond issuance by Electricity Generating Public Company Limited, totaling 7,000 million baht, intended for the repayment of investment in the company's existing renewable energy projects and those of its subsidiaries, e.g., hydropower, solar power, and wind power initiatives.
 4. A green bond by WHA Utilities and Power Public Company Limited, totaling 500 million baht, intended for investment in a solar power plant project in Thailand, marking the second fundraising through a green bond to further expand investments in clean energy.
 5. A sustainability debenture by Bangkok Expressway and Metro Public Company Limited, totaling 6,500 million baht, intended for refinancing existing debts or investment in the Blue Line Mass Transit Project. This collaboration represents the continuation of success in issuing sustainability debentures, marking the third consecutive issuance.

6. The inaugural green and blue bond in Thailand, issued by Krungsri, was aimed at supporting climate change management and marine resource conservation, amounting to USD 400 million, equivalent to 14,236 million baht.
- Enhancing Thailand's sustainable finance market, Krungsri organized climate finance forums throughout the year for customers and partners. Additionally, Krungsri played a crucial role as a representative of the Thai Bankers' Association in working closely with 13 key regulatory agencies to support the Bank of Thailand's initiative in introducing the Thailand Taxonomy, one of the key references for businesses' financial access in their transitions toward sustainability. Krungsri also participated as a panelist in discussions on the topic, 'New Opportunities and Rules with Thailand Taxonomy' during the Thailand Taxonomy launch event, with participating representatives from both the public and private sectors.
 - Krungsri introduced digital services such as Direct Debit API to support bancassurance for leading insurance companies in the country. The Payment API service, along with revolving credit facilities, were also provided to companies in the agriculture and food industries for real-time payment to farmers, replacing the traditional reservation and cash payment methods. Additionally, Krungsri offered One Payment Application and Cash Link for organizations to manage their financial processes and check issuance conveniently. The services include Corporate CHQ and Credit Product Program for leading companies in the agriculture and food industries, facilitating efficient payment disbursement for farmers.
 - Krungsri Securities PCL, a subsidiary of Krungsri, was one of the underwriters and sales guarantee providers for Samart Aviation Solutions Company Limited (SAV) in its initial public offering (IPO) to list on the Stock Exchange of Thailand. SAV operates in the service industry, specifically in the transportation and logistics business category. The company provides air traffic control management services in Cambodia under a sole concession agreement.

In addition, recognizing the importance of sustainability, the Bank established the ESG Finance Department (EFD) to support large corporations in understanding ESG finance, while pushing forward their transitions to sustainability. Working closely with MUFG, leveraging their strong ESG expertise and knowledge, EFD also supported other business units in integrating ESG principles into their operations.

Total financial solutions

- Krungsri offered comprehensive fund-raising services through loans and debentures with hedging solutions to the Ministry of Finance, state enterprises, and diverse customers across various industries. These sectors encompass agriculture, food and beverages, real estate and construction, hospitals and medical services, tourism and service industries, petrochemical and chemical product industries, information technology, communication technology, and the financial business group. Additionally, our services were offered to Hattha Bank in Cambodia, which issued debentures in Thailand.
 - Krungsri provided support transactions for index transition to customers in accordance with the Bank of Thailand's policy in transitioning from the Thai baht Interest Rate Fixing (THBFI) to the Thai Overnight Repurchase Rate (THOR) as the reference interest rate index.
 - Krungsri, in collaboration with MUFG, provided structured trade finance products to companies in the energy and utilities industry, as well as the food and beverage industry.
- 1) Encourage customers to transition to sustainable finance and reinforce Krungsri's position as a leading sustainable finance bank, as we are committed to adhering to Krungsri's mission of reducing carbon emissions.
 - 2) Support lending with a focus on asset quality management, fostering quality growth through the selective consideration of business capabilities and opportunities. Simultaneously, enhance the capabilities of our personnel in relevant skills and knowledge, and reaffirm Krungsri's core values through a passion for excellence.
 - 3) Focus on value creation by shifting toward advisory-based solutions and exploring new products and services capabilities through collaboration with internal key stakeholders, as well as leveraging the expertise of MUFG and the network of partner banks.
 - 4) Continue supporting clients' digital transformation and enhance internal processes to be more effective and efficient by leveraging digital technology.

SME BANKING GROUP

We are fully committed to continuously supporting the business operations of our customers and ready to maintain our commitment to be a trusted partner in every step of Thai entrepreneurs. To fulfill such a commitment, priority is given to the three key strategies of 'Make Life Simple with 3P' by delivering simplicity—the core value of Krungsri's operations—through the '3P' strategies of Portfolio, Products, and Platform that meet the needs of SME customers, enabling them to grow in tandem with the changing trends, and make all transactions convenient and fast, in order for our customers to capture opportunities and grow their business successfully.

- **Portfolio:** We aim to conduct an in-depth analysis for each customer's business and create a more distinctive customer segmentation to offer the right solutions for their respective needs according to the growth characteristics of each business type and industry. In addition, the Bank's relationship managers who are specialized in particular fields of business will provide fully integrated advisory service pertaining to business operation and financial innovation as well as connecting with a partnership network to offer knowledge and information concerning trading requirements both domestically and globally.
- **Products:** The Bank focuses on offering financial products that fulfill the needs and help develop the businesses of customers to grow in tandem with global trends. These products include ongoing assistance for business revival provided to customers who have been affected by COVID-19 to help them adjust and boost competitiveness, and innovative financial solutions that align with digital trends to increase customer convenience and enhance business efficiency. The Bank also provides sustainability-linked loans and develops financial products that support environmentally friendly operations as well as giving advice and synergizing with partners in extending knowledge about sustainable business operations which covers the dimensions of environment, society, and governance (ESG).
- **Platform:** We have enhanced the efficiency of customer service through various online channels, including Krungsri Biz Online for digital banking services tailored to business customers, featuring continuous updates with new features and services. Krungsri Business Link Platform offers business matching services. Krungsri Digital Supply Chain provides solutions to support businesses within the supply chain sector. These platforms are designed to allow customers to manage their businesses more easily and faster.

Our key achievements and initiatives in 2023

- **Launched the 'Bao Sabuy' Loan** to help SMEs access long-term financing at lower costs, enhancing financial liquidity without the worry of excessively high monthly expenses, thereby allowing businesses to thrive with confidence. The loan offers a minimum special interest rate of MLR-1.0 percent for the first six months; businesses can borrow up to 50 million baht with a maximum tenor of 12 years against collateral on a term loan or promissory notes (P/Ns). Krungsri also offers special privileges for SMEs that match business needs with fast, easy, and convenient transactions to capture bustling opportunities such as a waiver on sign-up and annual fees for Krungsri Biz Online (KBOL), a digital banking platform for SMEs, special fees starting at only 1.50 percent for Merchant Solutions, a special FX transaction discount on nine currencies when transacted through SWIFT on KBOL, and a free Krungsri Business Link platform that helps to seek out new trading partners.
- **Launched 'Term Palang Kuen Roi' Loan** designed to support small SMEs that borrow no more than 10 million baht. We can lend them up to twice the amount of collateral value, or more than 100 percent of their collateral, and offer the maximum 10-year repayment period, with credit guarantee support from the Thai Credit Guarantee Corporation (TCG) for both overdraft and term loans. SMEs can disburse the loans as they see fit, for greater flexibility and brighter long-term business prospects.
- **Expanded the 'Krungsri Business Link' service** to general businesses, rather than keeping it as an exclusive service for the Bank's customers. In 2023, this service was open to all interested businesses at no charge, facilitating opportunities for business expansion through both trading and partnerships. It is an online platform providing a space for business matching where customers can offer their products and services to enhance opportunities for trading, and easy and convenient search for new business partners. This highlights the reliable network strengths of Krungsri, MUFG, and its affiliate banks, aligning with the Bank's core strategy to connect customer needs across the ASEAN region, attracting over 1,600 businesses interested in joining this platform.
- **Organized the Krungsri-MUFG Business Matching Fair 2023**, in collaboration with MUFG, marking the 11th consecutive year of facilitating international business negotiations. The event saw participation from more than 100 companies from Thailand, Japan, and countries within the ASEAN region, resulting in 250 business matching sessions. Beyond business matchmaking activities, the event also introduced approaches to conducting business



based on sustainable principles (ESG), enabling clients to leverage these practices to strengthen and responsibly grow their businesses in the long term.

- **Continuously providing knowledge to SME entrepreneurs** through activities such as the Krungsri Business Forum on the topic, 'The Age of Transition', and the online seminar series Krungsri Business Talk under topics such as, 'Shift & Change for The Future', 'Striving Green Businesses through Thailand Taxonomy', and 'Reinventing Business for the Future'. These initiatives offer in-depth information for business customers in various industries, and include business study trips to Japan such as the Krungsri Business Journey 'Smart Living in Japan'.

ESG initiatives in 2023

- **Supported ESG loans** with a total amount exceeding 6,147 million baht, including a diverse range of green loans such as solar rooftop loans for businesses, loans for solar farm operators, EV station loans for car dealerships and transportation station operators, loans for solar panel installers, and Transformation Loans for environmentally friendly business operations. Additionally, there were specific loans for female SME entrepreneurs in Thailand who are owners or managers.
- **Inaugurated Krungsri ESG Awards 2023** to promote awareness among business clients about the importance of integrating and advancing environmental, social, and governance (ESG) concepts for sustainability in all dimensions of their businesses. Additionally, this initiative honors Krungsri's business clients who have concretely adopted and exemplified ESG principles in their operations, serving as a model for other entrepreneurs to recognize the benefits and importance of an ESG business model as an essential component of future business practices at all levels. This initiative is in collaboration with visionary ESG partners and organizations, including the Federation of Thai Industries, the Thai Chamber of Commerce, Thailand Greenhouse Gas Management Organization (Public Organization), the Department of Business Development, the Social Enterprise Thailand Association, and Sasin School of Management. These entities actively participated in the adjudication committee for the awards. This year's eligible participants included Krungsri's business customers with annual sales not exceeding 1 billion baht and social business groups under the SE Thailand network. A total of 18 awards were presented, comprising six Excellence Awards recognizing outstanding application of ESG principles, and 12 Highly Commended Awards acknowledging businesses that initiate and implement good practices in all three ESG dimensions. Additionally, this event was organized as a carbon neutral event, offsetting carbon emissions to emphasize Krungsri's commitment to addressing climate issues.
- **Collaborating with ESG partners and allies** to guide entrepreneurs in adopting ESG frameworks during various seminars organized by the Bank and partners. This includes ESG consultancy services for businesses by the UN Global Compact Network Thailand, solar rooftop installation services by SynergySun, a platform for managing the food and agricultural industry supply chain by Ricult Thailand, and business capability enhancement software by Bulk One Group. Additionally, the Bank cooperated with Thailand Greenhouse Gas Management Organization (Public Organization) in organizing the seminar, 'Sustainability in Action—How Thai SMEs Can Succeed'.

Strategic plan for 2024

- Aiming to be the primary bank for SME customers by becoming a trusted partner through services that go beyond traditional financial institutions. Standing beside business clients under the promise to 'Make Life Simple', we are committed to ensuring customers can run their businesses efficiently every day and increase their business opportunities.

This is achieved through the '3Go' strategy, which includes: the 'Go Green' strategy that focuses on offering loan products or activities that support the ESG principles among business customers; the 'Go Digital' strategy that aims to enhance the efficiency of our customers' businesses to keep pace with the digital world, through the Bank's digital products and services; and the 'Go Beyond' strategy that helps to create business opportunities for clients to explore new markets and expand internationally.

- Expanding support for business customers across a wide range of industries, including those involved with ESG in various forms, as well as through the supply chain of each industry
- Encouraging and supporting SME customers to recognize the importance of adopting and leveraging the ESG concept to enhance sustainability in their businesses. This will be achieved through educational activities and the provision of diverse sustainability-focused loans tailored to the specific needs of each business.
- Developing and integrating various digital services that will enhance business efficiency for customers in a more comprehensive manner
- Creating innovative loan products to make financial services more accessible to SMEs
- Enhancing business opportunities for clients to expand their markets both domestically and regionally, through ASEAN connectivity by coordinating cooperation with MUFG and its network. This support aims at facilitating clients' business expansion with efficient cross-border transaction services and opportunities for business matching with reliable networks.

JAPANESE CORPORATE AND MULTINATIONAL CORPORATE (JPC/MNC) BANKING

Key achievements and initiatives in 2023

In 2023, global economic uncertainty hindered the growth of exports and imports. Moreover, prolonged and expanded geopolitical risks caused corporates worldwide to be more cautious in making new investments. Despite all these challenges, the Bank successfully maintained our top position and market share in the Japanese corporate market while continuing to expand relationships with multinational corporates in Thailand.

We actively organized the Krungsri-MUFG Business Matching Fair for its eleventh year, allowing our customers to explore new business opportunities abroad. In addition, we hosted our inaugural business matching event for startups, giving them access to funding opportunities and business expansion across the globe.

Furthermore, we regularly sharpened the expertise of our people, both upskilling and reskilling, together with enhancing the efficiency and variety of our products and services in delivering superior customer experience.

Examples of our achievements in 2023:

- Organized online seminars on the topics of 'The Latest Trends of ESG & Digital Trade Toward the Sustainable Growth of ASEAN-Japan' in collaboration with Mitsubishi UFJ Research & Consulting and MU Research & Consulting (Thailand), and 'Future Predictions from Automotive Industry and Data Business Perspective' in collaboration with MU Research & Consulting (Thailand) and Uzabase
- Launched the 'Krungsri ASEAN Link' service to provide total solutions for customers in expanding their business globally, especially in active regions like the ASEAN countries
- Developed sustainable deposits to serve customers aiming to engage in ESG by funding sustainability-related projects through this special type of deposit at Krungsri

GO ASEAN with krungsri

กับบริการ **ASEAN LINK** แข็งแกร่งด้วย
เครือข่าย MUFG เชื่อมต่อธุรกิจคุณสู่อาเซียน



Progress of sustainability (ESG) initiatives

The Bank provided customers the most recent and insightful ESG information through online seminars and advisory services as well as facilitated customers' access to ESG-related products, serving their needs for both financing and engagement in sustainability initiatives. We also connected our customers to our trusted partners who have experience in assisting customers with their decarbonization journey.

Moreover, we supported the development of the electric vehicle ecosystem with EV bike manufacturers by using EV bikes to send internal documents, which contributes to the reduction of greenhouse gas emissions in the Bank's operations and promotes awareness of EV bikes in Thailand.

Key plans and strategies for 2024

Amidst global economic volatility in the rapidly changing business environment, from 2024 onward we will focus more on sustainable growth and new challenges for business expansion by combining the strengths of Krungsri and MUFG. For the fourth Medium-Term Business Plan 2024-2026, we have set our aspiration to be 'The first-call business partner and platform developer for society and the environment' with three key principles that we will adhere to, which are: 1) to focus on and fulfill the core essence; 2) to establish a 'Win-Win-Win' relationship with stakeholders and society; and 3) to render universal banking services, both traditional and innovative (ambidextrous banking).

We have identified key strategic pillars, namely Sustainable Growth, New Challenges, and Business Transformation, for realizing the aspiration.

- To sustain our growth, we will focus on enhancing and expanding our businesses such as establishing a startup ecosystem in the Mekong basin, furthering business with multinational corporates from East Asian countries, as well as collaborating with our partner ASEAN banks to support customers' overseas business expansion.

- To take on new challenges, we aim to develop new products and services that help customers and the Bank to overcome challenges and adapt to the swiftly changing business circumstances, e.g., we aspire to facilitate customers' journey to carbon neutrality by leveraging the expertise of our trusted partners in this field.
- To raise awareness of both sustainable growth and new challenges, we will focus on understanding customers' businesses to support their vertical and horizontal business expansion. We will also focus on strengthening customers' business management competencies at the regional level, including capital management and procurement.
- To transform our business, we will regularly improve operating processes and optimize human resources to provide customers top-tier financial services.

TRANSACTION BANKING GROUP

In 2023, Krungsri aimed to reinforce its infrastructure foundation and enhance transaction banking services with increased variety and efficiency through emphasizing the development of digital solutions tailored to customers' needs across all segments. This also allows customers to make transactions more easily, conveniently, and on a real-time basis—encompassing both domestic and international payments and funds transfers, with a special emphasis on ASEAN countries. The Bank's initiatives can be summarized as follows:

- **Enhanced Transaction Channels:** Krungsri is dedicated to enhancing transaction channels to satisfy the needs of customers in every segment. This involved introducing new products and bolstering the capacity to facilitate comprehensive and diverse transactions through the Bank's channels, namely Krungsri Mobile Application (KMA) for retail customers, Krungsri Biz Online (KBOL) for business customers, and Krungsri CashLink for large

KRUNGSRI ONE LINK

Online channel to facilitate business customers for self-onboarding



corporate customers. These efforts allowed customers to make payments and funds transfers seamlessly through a unified platform, ending the need to toggle between multiple interfaces. Customers can now select their preferred services anywhere and anytime through the development of new products and services such as Krungsri One Payment, an application that allows convenient digital payments for corporate customers to reduce the need for petty cash. Their employees can readily make payments with the 'Scan to Pay' feature for small purchases such as fuel and travel expenses, which is suitable for customers in the logistics industry.

- **Advancement in Application Programming Interface (API) technology:** Krungsri introduced Krungsri Cash Management API, a new financial solution tailored to corporate customers' needs such as Krungsri Beyond Procure and Krungsri Statement API. The objective is to accelerate the expansion of financial services and payment infrastructure to new customer segments in support of their business operations. Krungsri Beyond Procure, a fully integrated digital business system for corporate customers including PromptBiz, was introduced to streamline business processes and link related information such as invoices, payments, and receipt issuance. This also covers other relevant data such as business loans. These breakthrough services not only make business transactions more accurate and fully accessible, but also reduce errors and operating costs, while helping increase opportunities to access funding sources in order to enhance operational efficiency. This also reinforces Krungsri's image as a leader in digital solutions.
- **Real-time cross-border payment and funds transfer service expansion in ASEAN:** Krungsri has continued its collaboration with partner banks in ASEAN under the MUFG network to develop real-time cross-border payment and funds transfer services. Krungsri currently offers QR payments to Thai customers traveling abroad; at the same time, foreign tourists visiting Thailand can make QR payments (cross-border QR payment) for products

and services purchased at select stores in Thailand. This service is now available in six countries, namely, Japan, Singapore, Vietnam, Indonesia, Cambodia, and Malaysia. In 2023, the service was expanded to Hong Kong, and it is scheduled to extend to Lao PDR and India in early 2024. Moreover, the real-time international transfer services through interbank API connectivity between Thailand and Vietnam, as well as Thailand and Cambodia, were successfully launched to facilitate all international business transactions.

Moreover, Krungsri introduced a new online channel for Krungsri Cash Management, enabling corporate customers to engage in self-service registration, amendment, and 24-hour real-time status tracking through the digital platform called Krungsri One Link. In the future, this platform is poised to become a centralized hub providing comprehensive services for all business customers, accessible anytime, anywhere.

Strategic plan

The Transaction Banking Group has aligned its strategy with the Bank's key theme of 'Three Beyonds': Beyond Banking, Beyond Thailand, and Beyond Tech. This alignment is reflected in three key strategic areas, corresponding to the fourth Medium-Term Business Plan (2024-2026) of the Bank as follows:

1. **Connect customers' needs through digital experience:** Our primary objective is to build a seamless Krungsri payment channel for all segments. The strategy involves unifying the transaction banking financial platform and enhancing the end-to-end customer experience. This is achieved by establishing real-time connections with customers through Krungsri One Link—a self-service channel that allows customers to register and modify their information with real-time tracking and prompt responses. The aim is to deliver comprehensive services with the target of serving and satisfying customers' needs.
2. **Provide sustainable digital solutions:** Our focus is on designing digital solutions that meet customers' needs

at every step. We continue to improve the infrastructure and modernize existing capabilities to sustain and grow our customer portfolio, not only for commercial banking, but also in support of retail acquisition and increasing the number of customers who use Krungsri as their main bank (Main Operating Account: MOA). This approach is structured around three pillars: 1) Digital Adoption, 2) Bank as a Service & Embedded Finance, and 3) Digital Solutions.

3. **Continue regional expansion:** This strategic approach is to continuously grow our business as well as capture new trade flows in ASEAN countries through MUFG network, partner banks, Krungsri's subsidiaries, and PromptTrade (digital trade platform). We are exploring partnerships with regional partners in payment solutions for business expansion—reinforcing the robust position of MUFG's network and propelling our growth within ASEAN.

GLOBAL MARKETS GROUP

2023 turned out to be a highly volatile year. Amidst the volatility, we served our clients well so they could ride out the waves of unexpected situations that triggered the volatile foreign exchange (FX) market movements. Consequently, our FX revenues grew with solid performance in 2023, derived not only from our team's expertise and experience, but also the enhancement of our digital facilities. Launched in the end of 2022, the e-FX Confirmation service supported our registered clients with convenience in reviewing their outstanding FX transactions and confirming FX trades online, while using less paper. In this regard, we continued our mission to expand our digital FX channels. As a result, the number and turnover of FX transactions via online FX services such as FX@Krungsri increased significantly in 2023.

In addition, amid the challenging market environment with various risk factors ranging from restrictive global monetary policy to turbulent geopolitics, our Global Markets Research and Analysis team impressively managed to accommodate clients with beneficial information during this period of heightened volatility. The team provided timely and insightful analysis through multiple channels including seminars, reports, and media broadcasts, drawing overwhelmingly positive feedback. Furthermore, we enhanced our research collaboration with other groups, particularly, MUFG Global Markets Research, Krungsri Private Banking, and Krungsri Capital Securities.

In May 2023, the Bank was awarded 'Frontier Markets Issue of the Year' by International Financing Review Asia (IFR Asia) for the issuance of Hattha Bank Thai baht-denominated bonds in 2022, which was the first Cambodian debenture issued in



Thailand, as an alternative investment for Thai investors to be able to access ASEAN cross-border bonds. In early 2023, Krungsri achieved another success in supporting Hattha Bank's second baht-denominated bond issuance of 1.3-billion baht, three-year tenor. In close collaboration with the Debt Capital Markets team, the success of both issues was supported by the Global Markets Group's strong underwriting capacity and effective hedging solutions.

On June 30, 2023, Thailand's former benchmark rate, THBFX, was discontinued, and replaced by the new benchmark rate—Thai Overnight Repurchase Rate (THOR)—which had been in development since 2022. The new THOR market set a good foundation for many legacy transactions, both loans and derivatives, to transit from legacy THBFX to new THOR in 2023. We supported our clients in smoothly negotiating the benchmark transition event on the June 30 THBFX cessation date, emphasizing our strong position in the Thai derivatives market.

As climate change has inevitably increased business risk and thus impacted the financial sector, the Bank has maintained our commitment to sustainability. We have prepared our facilities to support ESG-linked derivatives and have worked with clients on ESG-related transactions. In addition, the Bank has made a substantial investment in various ESG bonds, focused on both the environment and sustainability.

The Bank has cooperated with the Bank of Thailand (BOT) for a sustainable financial infrastructure future through the Central Bank Digital Currency (CBDC). There are two kinds of CBDC projects being conducted by the BOT in terms of feasibility studies and testing: wholesale CBDC and retail CBDC. For wholesale CBDC, also known as project mBridge, we continued our close work with the BOT after the successful pilot test in 2022. For retail CBDC, in mid-2023, the Bank successfully piloted CBDC in payment acceptance for goods and services using the BOT-issued Thai-baht CBDC. The outcomes of this trial are expected to benefit all organizations involved in the development of Thailand's digital baht infrastructure.

Looking ahead, the Bank is committed to fostering a wide range of innovative products and services, and stands ready to support the ambition of building Thailand's future sustainability.

RETAIL AND CONSUMER BANKING

The year 2023 posed extreme challenges to the financial and banking sector. Global turmoil was triggered by protracted economic issues in China, the United States, and Europe as energy prices in the world market remained on an upward trend. Central banks worldwide increased policy interest rates to curb inflation. Geopolitical conflicts in major hotspots threatened to widen, while the impact of climate change continued to ravage the agricultural sector. Persistent weakening of the baht was attributed to internal and external factors. All of these factors put pressure on the financial and banking sector to accelerate adaptation to stay competitive and uphold standards of financial services in the digital age.

Milestones and achievements in 2023

We embarked on product development and upgrade of customer service quality to align with four key strategies as follows:

1. Enhancing customer data analytics through development of the One Retail Integrated Data Platform enabling customer data linkage between the Bank and subsidiary companies in Krungsri Group for 360-degree customer data analysis, in order to identify and develop financial products and services tailored to specific needs of individual customers through appropriate channels, at the right time. This ensures customer convenience in accessing financial services, such as applying for additional products without having to submit another set of supporting documents.
2. Being Customers' Trusted Financial Advisor through Krungsri The COACH, a repository of financial knowledge on Krungsri's digital platforms and websites, as well as social media channels under the concept, 'Making Financial Matters Simple', to provide comprehensive finance content for all customer segments. Specifically, two key customer segments were targeted: the Mass Retail segment with an emphasis on engagement with target customers with up-to-date, comprehensive content on financial and investment tips published on Krungsri Group's online channels, and the Wealth/High Net Worth segment with in-depth recommendations for investment decision-making according to individual customers' financial goals and risk profile. Focusing on presentation of easy-to-understand knowledge that can be applied to daily life, our content seeks to promote financial literacy and discipline to prevent or mitigate excessive household indebtedness as well as digital



literacy. Such a repository of knowledge also serves as a channel through which prospective customers may conveniently access Krungsri's financial products, while we maintain customer engagement and reinforce our image as a reliable partner that customers can trust with their personal finances and investments.

Another element of this strategy is the upskilling of branch personnel and personal wealth manager to serve as financial advisors with expertise and well-rounded knowledge, capable of using the latest digital platforms and tools for product sales presentation and delivery of quality services promptly and in a professional manner. Thus they have the ability to consistently meet customer requirements at any given time while providing impressive customer service, combining the grace and humility of Thai culture with the heartfelt spirit of Japanese service to deliver an elevated customer experience that is unique and memorable.

3. Developing financial solutions that consistently meet customer requirements, underpinned by customer data analytics, digital platforms, and synergistic combinations of business units within Retail and Consumer Banking under the 'ONE Retail' strategy to continuously develop financial solutions tailored to individual customers' needs. One such notable example is Krungsri The One Fund, created by harnessing the combined power of Krungsri Group to provide retail customers access to a wide variety of investment options, complete with proactive investment portfolio adjustments by professionals. 2023 also saw the launch of an 'investment jar', Kept Invest powered by FINNOMENA in the Kept by Krungsri application, to combine savings and investment under one account, with various savings and investment formulas to help customers achieve their financial goal effortlessly and effectively.
4. Integrating service channels to provide customers convenient, seamless access and an elevated customer experience. In 2023, One Retail Branch was further



developed as a new branch service model that received positive response. Customers enjoyed the convenience of obtaining services and easier access to a wide variety of financial products, and we were able to deliver an uplifted customer experience, focusing on the integration of service channels—both at physical branches and online—of Krungsri and business partners, to deliver solutions for customers' lifestyle needs, enabling them to conveniently and seamlessly access services through a variety of channels.

Sustainable banking

To advance toward sustainable banking, integrating environmental, social, and governance (ESG) dimensions into our operations, the Bank has undertaken actions aligned with the following guidelines:

- **Environmental aspect:** Launching financial products and services better tailored to the needs of each target segment while taking into account the ESG dimensions. We employed technologies and financial innovations to further enhance sustainability. Digitalization of work not only brought about environmentally friendly operations by reducing resource consumption and waste, but also enabled us to provide financial services to customers and target segments promptly and securely. Notable among mobile applications developed by Krungsri are Krungsri Mobile Application (KMA), UCHOOSE, and GO by Krungsri Auto, for fast and accurate services. In addition, our financial products and services, such as e-savings account, e-billing statement, QR code payment, and virtual credit cards, are eco-friendly by design to reduce paper use and thereby cut back on greenhouse gas emissions. We also delivered financial solutions and services enabling motorists to switch to electric vehicles (EV) and help stimulate widespread adoption through EV loans that cover both cars and motorcycles. Krungsri also collaborated with partners to offer innovations in long-term EV lease and support the low-carbon economy.

As for investment products, sustainability was promoted through the Krungsri Equity Sustainable Global Growth Fund to invest in stocks geared toward sustainable development goals, focusing on three main areas: climate change, health, and equality and empowerment.

- **Social aspect:** Providing assistance to retail customers affected by the COVID-19 pandemic through a variety of measures, from long-term debt restructuring programs and debt consolidation to liquidity support. In addition, we attached importance to responsible lending in order to prevent excessive indebtedness among customers and took the initiative to promote financial literacy through Krungsri The COACH, a repository of the complete range of financial knowledge on Krungsri's digital platforms and websites as well as social media channels, featuring comprehensive finance content to make financial management easy to understand and practical in our everyday lives. Featured programs includes Krungsri The COACH 'Can't Figure It Out? We'll Answer,' Double Espresso by Krungsri The COACH 'Every Shot of Investment,' and Krungsri The COACH x Krungsri Exclusive 'In-depth, Insightful Investment.' Promotion of financial literacy through Krungsri The COACH also benefits society at large as it contributes sustainably to the country's economy and financial system.
- **Governance aspect:** We underscore the importance of good corporate governance and anti-corruption measures, fair treatment of customers and employees, as well as effective risk and crisis management.

2024 operational plan

The Bank is all set to implement a new Medium-Term Business Plan (2024-2026) to achieve the goal of becoming a financial service provider to enhance the quality of life and Make Life Simple for our customers by providing insightful financial advice and delivering valuable solutions through diverse channels and modes of connectivity. This is to help customers save their precious time so they can focus on what matters in their lives. The driving force of our business consists of three components: expanding the active customer base, developing best-valued financial solutions, and enhancing the customer service experience through 'phygital' channels, and implementing the Center of Excellence to promote operational efficiency.

In addition, the Bank will continue to uphold environmental, social, and governance (ESG) standards, consistently implementing various activities while promoting ESG awareness among employees within Krungsri Group so they have conceptual understanding and can develop products and

services in alignment with the set of standards that socially conscious investors use to screen investments.

NGERN TID LOR

Ngern Tid Lor Public Company Limited (TIDLOR) focuses on innovation-driven business operations through trailblazing platforms to enhance the omnichannel customer experience. The company's two core businesses provide complete services in vehicle title loans and insurance brokerage for both life and non-life insurance, offering a wide variety of coverage in accordance with customer demands. This includes all types of auto insurance, compulsory motor insurance, personal insurance, cancer insurance, and loan protection insurance. Licensed professional brokers from 19 leading insurance companies, which are TIDLOR's business partners, are available for customer insurance advice at branches nationwide, online channels, call centers, and a mobile application.

TIDLOR operates on financial inclusion principles with fair and transparent practices, focusing particularly on the underbanked segment. The company offers consumers access to insurance protection, promoting sustainable social equity.

In 2023, TIDLOR Insurance Broker, an insurance brokerage brand, opened its first branch in a shopping center, located on the third floor of The Mall Lifestore Tha Phra. This branch aims to increase brand awareness and offers a live experience for customers ranging from office workers to small business owners, integrating comprehensive insurance services with their lifestyles and shopping preferences.

Additionally, the company launched 'heygoody', Thailand's first telesales-free online insurance broker, empowering customers to independently manage their insurance. The company also introduced 'Land for Cash', a new product offering an alternative for customers without a vehicle to serve as collateral, providing access to fair and transparent formal loans in emergencies.

According to the company's operating results, the number of customers increased by 16 percent in 2023, with more than

144,610 customers gaining financial access and total loans registering 97,457 million baht. The insurance business saw total premiums of more than 8,743 million baht, an increase of 25 percent compared to 2022. Additionally, TIDLOR expanded by adding 50 branches in 2023, reaching a total of 1,678 branches nationwide. The company also broadened its distribution channels to include malls and gas stations to enhance customer service and outreach.

TIDLOR was widely recognized in 2023 for its innovation, organizational culture, and branding by leading regional and international organizations, as evidenced by nine awards from domestic and international competitions. This recognition reflects the company's commitment to driving its business and enhancing customer convenience, as well as its strong organizational culture, which contributes to sustainable growth. The TIDLOR brand has also gained wide recognition among consumers. Acknowledgement of the aforementioned qualities underscores the company's competitiveness and its ability to provide financial opportunities to the public without the need to change its organizational structure, ensuring sustainable growth.

Apart from its business undertakings, TIDLOR has continued to place great importance on creating a sustainable society through the company's many philanthropic projects, namely the 'Life Rolls Forward' project, under which financial literacy activities are organized for communities across the country, factory staff, and employees of diverse organizations who need basic financial knowledge. More than 6,333 persons have been trained through this project. Moreover, the company participated in 'Financial Inclusion in Post-COVID Southeast Asia: Accelerating Impact Beyond Access', a study recently published by the Centre for Impact Investing and Practices (CIIP). Established as a non-profit entity by Temasek Trust, the CIIP conducted this study in partnership with the United Nations Capital Development Fund (UNCDF) and Helicap, with support from 60 Decibels. The study aimed to gather comprehensive information and insights from various stakeholders, including financial service providers, investors, industry associations, and end customers. These insights are intended to contribute to the development of the financial health ecosystem at the ASEAN level.

For 2024, TIDLOR will continue its growth trajectory based on strong, innovation-driven business fundamentals. This includes enhancing the 'TIDLOR Card', a revolving cash facility that allows borrowers to withdraw cash from over 50,000 ATMs nationwide according to their credit limit. Customer service will also be improved through digital platforms, including the Ngern Tid Lor application, website, Facebook, and TIDLOR Connect on the Line application, providing customers diverse financial and insurance benefits.



HATTHA BANK PUBLIC COMPANY LIMITED (HATTHA BANK)

Key achievements and initiatives in 2023

With an impressive track record spanning nearly 30 years, Hattha Bank has emerged as a key player in the financial landscape of Cambodia. The institution's journey began in 1994 as a food security project, and it later obtained a Micro-Finance Deposit Taking Institution (MDI) license from the National Bank of Cambodia (NBC). Subsequently, it became a subsidiary of Krungsri, before solidifying its position as a full-fledged commercial bank in 2020.

Hattha Bank proudly achieved several milestones in 2023, aligning with its vision of becoming a highly respected bank and the preferred choice of customers through its dedicated and skilled employees. Some of the notable accomplishments are outlined below:

- Officially launched '**Hattha Visa Debit Card**', showcasing the bank's dedication to delivering a seamless and worldwide digital payment experience characterized by its simplicity, speed, convenience, and reliability. This achievement represents yet another triumph for Hattha Bank, as it continues to operate profitably while consistently prioritizing the requirements of its valued customers.
- Officially launched '**Hattha Mobile 3.0**', its next-generation digitally innovative mobile banking application. This release introduced promising new features, high-level security measures, and a customer-centric user interface and experience. The goal is to provide a powerful mobile banking application that caters to the diverse needs of customers from all walks of life within the daily financial ecosystem.
- Hattha Bank officially launched its '**HatthaPay**' online payment gateway with the aim of enhancing convenience and security in the online payment experience for both existing and new customers, and HatthaPay will be seamlessly integrated into popular e-commerce applications in Cambodia and internationally. This integration allows customers to make real-time payments in just a few simple steps solely within the e-commerce applications, eliminating the need to add a payment method, input transaction amounts, or manually switch to their mobile banking application.
- The official launch of '**OTT Swift Transfer**' represents a significant leap forward in the realm of cross-border funds transfers. Its combination of speed, convenience, security, and affordability makes it a compelling choice for individuals and businesses alike, enabling them to

conduct seamless and efficient international transactions.

- Hattha Bank is entering the realm of trade finance by conducting a pilot test of its innovative trade finance service. This forward-thinking initiative aims to revolutionize the way businesses engage in international trade and streamline the financing process for importers and exporters.
- Officially launched '**Digital TD**' which customers can now use to manage their time deposit accounts entirely online, eliminating the need for time-consuming paperwork and in-person visits to bank branches; the introduction of Digital TD underscores the bank's dedication to embracing digital transformation and leveraging technology to enhance the customer experience.
- Hattha Bank is currently conducting a pilot test of its '**Salary Advance Loan**', an unsecured loan specifically designed for individuals who are utilizing Hattha Bank's payroll service, other private-sector employees, and civil servants who receive regular salaries.
- Hattha Bank has maintained its credit rating at **BBB+/stable** for five consecutive years, thanks to its clear vision and corporate stability, and the credit rating was upgraded from 'A-' to 'AA+' based on improved loan data collection.
- The construction of Hattha Bank's new head office, which commenced in 2021 after the official contract signing ceremony, is progressing well and remains on track.
- In order to broaden its customer base, Hattha Bank has successfully established several **strategic partnerships** in various sectors such as insurance, payment service providers, transportation, and other private industries. These collaborations have contributed to the bank's efforts to expand its reach and offer a wider range of services to its customers.

Progress of sustainability (ESG) initiatives

Environmental, social, and governance (ESG) is a framework utilized to evaluate the bank's business practices and performance concerning sustainability and ethical concerns. It also serves as a means of assessing business risks and opportunities in these areas. Given the highly regulated nature of the banking industry, governance issues have long since been addressed.

With a focus on ESG, Hattha Bank Plc. has been actively implementing responsible finance practices and committing to contribute to the sustainable growth of our customers and society. These principles are integrated into our products and services, including our ESG framework. For example, we prioritize environmental and social performance management, client protection, and corporate social responsibility (CSR). Additionally, Hattha Bank Plc. aligns with the Sustainable

Development Goals (SDGs) and has adopted most of the SDGs as listed in the following page.

- **Products and services initiatives:**
 - o Providing access to financial services for various segments such as SMEs and low-income individuals, with a focus on responsible finance
 - o Supporting SMEs, innovation, and digitalization through financial services
 - o Offering credit products like social loan products aimed at supporting eco-friendly initiatives, higher education, disaster recovery, and vulnerable women
 - o Ensuring all business purposes are screened with an Environmental and Social (E&S) Exclusion List
- **Human resource initiatives:**
 - o Maintaining fair labor practices for employees and clients, guided by HR policies, procedures, and guidelines
- **Community development projects:**
 - o Actively participating in community development based on Hattha Bank's CSR programs and activities, with a focus on promoting financial inclusion
- **Climate change initiatives:**
 - o Implementing waste sorting, reduction, and reuse activities
 - o Managing and reducing greenhouse gas emissions by optimizing resource utilization, such as water supply, paper, oil, and fuel consumption, as part of our climate change efforts
- **Regulatory compliance:**
 - o Ensuring compliance with regulations and fostering networking opportunities
 - o Implementing corporate governance and anti-corruption measures
 - o Participating in and aligning with Krungsri Carbon Neutrality Vision to achieve the ASEAN Low Carbon Energy Programme in collaboration with the National Bank of Cambodia. This includes minimizing our own emissions through e-working processes and adhering to green standards for the bank's head office building.

Key plans and strategies for 2024 and MTBP

Given the positive economic outlook, Hattha Bank holds a positive outlook for its performance in 2024. The bank is dedicated to enhancing the well-being of Cambodians through its retail consumer products and providing tailored financial solutions to support the growth of retail and SMEs. Moreover, Hattha Bank places great importance on maintaining a strong asset portfolio and bolstering risk management by implementing robust frameworks, improved controls, and



advanced tools to safeguard operations and prioritize the interests of customers and stakeholders. To strengthen its position in the market, the bank has identified strategic themes that will guide its future endeavors. These themes include:

- **Boost banking through digital innovation and ecosystem expansion:** Integrating global money transfer services, advancing internet banking capabilities, commercializing merchant business solutions, and expanding its strategic ecosystem.
- **Activate new revenue streams through product innovation and expansion:** The bank plans to deepen its engagement with retail and micro-business sectors, ensuring that its offerings cater to their specific needs. Additionally, Hattha Bank seeks to enhance the effectiveness of its products, making them even more impactful and beneficial for its customers.
- **Nurture operational excellence through efficiency enhancements and system automation:** Reinforcing its internal control mechanisms by implementing and enhancing systems, improving efficiency by reengineering processes and automating systems, advancing its data-driven capabilities utilizing data analytics and insights to drive informed decision-making, and establishing a solid foundation for future growth.
- **Kindle corporate brand and culture:** Repositioning the Hattha Bank brand as a commercial bank backed by a global financial group, reenergizing corporate culture, and speeding up market decision-making.
- **Enhance the quality of assets and fortify risk management:** Hattha Bank focuses on maintaining a robust asset portfolio and improving loan quality. It achieves this through enhanced credit underwriting, thorough risk assessments, and proactive measures, resulting in improved asset quality and a stable financial environment for customers. The bank also emphasizes risk management by implementing strong frameworks, bolstering controls, and utilizing advanced tools to ensure operational security and protect the interests of customers and stakeholders.

KFTHAIESG: New Tax Saving Fund Growth Opportunity from Sustainable ESG Stocks.



ASSET MANAGEMENT

The investment market in 2023 witnessed heightened volatility caused by various factors. Despite improvements in the overall economy of major countries, persistent inflation raised concerns about the extended period of high interest rates. Furthermore, geopolitical conflicts and a robust economic recovery affected investor sentiment, particularly impacting global stock markets. On the domestic front, post-general election uncertainty lingered as investors awaited a decisive monetary and fiscal policy stance from the new government to ensure economic stability and foster sustainable growth. These factors collectively contributed to a risk-averse investor sentiment. As a result, the growth of the mutual fund industry in 2023 was mainly driven by fixed-income funds, in particular, term funds that delivered fixed expected rate of returns as well as foreign fixed-income funds that generated more attractive returns due to higher interest rates and tax-saving funds. In 2023, the total net asset value under management of the mutual fund industry soared by 5.46 percent. Krungsri Asset Management Company Limited closed the year with 415,609 million baht in net asset value under management. This represented a remarkable 5.87-percent growth compared to the 2022 figure, surpassing the industry average. The company maintained its 5th highest market share, similar to its 2022 ranking. Notably, the net investment amount of the company reached 42,743 million baht in 2023, securing the 4th rank in the industry.

Private fund business: The company's net asset value under management was 117,855 million baht at the end of 2023, securing the No. 4 position in the industry. The company continued to foster trust across various sectors, including insurance companies, pension funds, corporations,

universities, and foundations. Furthermore, the company introduced an institutional share class (I Share Class) for institutional investors and had a total of 55 domestic and foreign institutional funds in 2023.

Provident fund business: The company strengthened its position by gaining the trust of employers across diverse sectors thanks to the company's provident funds, covering all asset classes, as complemented by the EM@ccess on Mobile App. At the end of 2023, the net asset value under the provident fund business amounted to 53,566 million baht.

New products

In 2023, the company strived to offer diverse investment alternatives that would create opportunities for differentiated investment returns over the long term. Eight new funds were introduced throughout the year, as follows:

- **Krungsri The One:** Through synergy across Krungsri Group (Bank of Ayudhya Public Company Limited, Krungsri Asset Management, and Krungsri Securities) and investment partners, an investment strategy was jointly formulated. In this regard, the best funds encompassing all types of funds in Thailand with outstanding performance were chosen to create best investment portfolios, aligning with investor risk appetite levels, with three mutual funds available for selection, namely Krungsri The One Mild (KF1MILD), Krungsri The One Mean (KF1MEAN), and Krungsri The One Max (KF1MAX).
- **Krungsri China Equity CSI 300 (KFCSI300):** This fund offers the opportunity to invest in China, the second-largest economy in the world with strong growth potential, via investment in China A-shares through a CSI300 index fund.

- **Krungsri NDQ Index Fund (KFNDQ):** This fund offers the opportunity to grow along with the Nasdaq 100 Index, comprising new-world businesses and innovations, featuring tech giants like Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla.
- **Krungsri Global Smart Income FX Fund (KFSINCFX):** This fund offers the opportunity to enhance portfolio returns through diversified investment in global high-quality and high-yield fixed-income instruments.
- **Krungsri World Equity Index Fund (KFWINDX):** This fund offers the opportunity to invest in the MSCI ACWI Index, tracking the performance of global stocks across developed and emerging markets.
- **Krungsri Enhanced SET Thai ESG Fund (KFTHAIESG):** This is a new tax-saving fund that allows investors to make tax planning—with a tax deduction privilege separated from Super Savings Fund (SSF) and Retirement Mutual Fund (RMF). The fund also comes with an opportunity to gain sustainable and high returns through investment in Thailand's leading ESG stocks, utilizing a comprehensive ESG-integrated investment process.

Furthermore, the company offers Krungsri The One and KFCORE (a foreign investment mixed fund) as tax-saving opportunities, namely Super Savings Fund (SSF), and Retirement Mutual Fund (RMF). In total, eight new tax-saving funds are available—offering diverse options for long-term investment and retirement planning.

Service development

Throughout 2023, Krungsri Asset Management remained steadfast in delivering a seamless investment experience through the @ccess Mobile application. We introduced new features to simplify customers' investment processes, including:

1. **Seminar booking:** Investors can effortlessly book online or onsite investment seminars via @ccess Mobile and receive timely notifications as the seminar approaches.
2. **Display of investment returns:** Information on investment returns is now presented in either Total Return or Return on Investment (ROI) format. Both realized and unrealized gain and loss, along with total historical dividend payments, are meticulously calculated. This comprehensive overview allows customers to gain a deeper understanding of their investment portfolio. Krungsri Asset Management is the first asset management company to introduce such a display format for investment returns.

Moreover, the company introduced a groundbreaking service named KSAM SMART IIP, specifically tailored for Independent Investment Planners aiming to streamline fund offerings.

In terms of ESG-related progresses, the company offered the Thai ESG Fund for subscription. This tax-saving fund, Krungsri Enhanced SET Thai ESG Fund (KFTHAIESG), focuses on investing in stocks in SET ESG Index of the Stock Exchange of Thailand. Furthermore, we have updated the ESG questionnaires distributed to all enterprises within the investment scope, with a particular focus on questions related to the environment. This refinement aims to enhance awareness of the importance of environmental protection among businesses in which the fund invests, contributing to long-term business sustainability.

Key strategies

2024 marks the inception of the new Medium-Term Business Plan (2024-2026). With a commitment to simplifying and personalizing investments for each customer, the company is guided by three core strategies:

- 1) **Product excellence:** Our goal is to develop innovative products aligned with the evolving environment, investor behavior, relevant regulations, and technologies. Simultaneously, we uphold the quality of analytical and securities selection processes.
- 2) **Customer base expansion:** To ensure broad accessibility of our products, we aim to increase the number of sales representatives, encompassing both juristic persons and individuals. This strategic move aims to reach every investor segment, fostering consistent business growth.
- 3) **Enhancement of service quality to deliver a superior investment experience:** We will focus on providing timely and easy-to-digest information—while offering products tailored to meet different customer preferences.

SECURITIES BUSINESS

During the third Medium-Term Business Plan (2021-2023), overall competition in the securities business continued to intensify both in terms of investment behaviors and interest in new alternative products. Many brokerage firms attempted to capture the trends and the target groups by offering the products and services that respond best to customer demand. Krungsri Securities PCL. recognized and pursued such opportunities for continuous development. We retain our key goals, which are to enhance market share to the top 20, forge collaborations within Krungsri Group for sustainable growth, develop new investment products, improve our trading system, and provide tools that will facilitate the achievement of investment targets.

Clear trends emerged in terms of the investor types that participated in the bourse over the past year. The proportion of individual investors continued to drop, from 47 percent in 2021 to 39 percent in 2022 and 34 percent in 2023. On the other hand, foreign investors played a more active role in the stock market as their proportion climbed from 37 percent in 2021 to 46 percent in 2022, and peaking at 51 percent in 2023. Such growth derived from persistent divestment amid the bearish domestic view of the stock market, weighed down by a series of negative factors such as earnings per share (EPS) downgrades and political uncertainty during the past year.

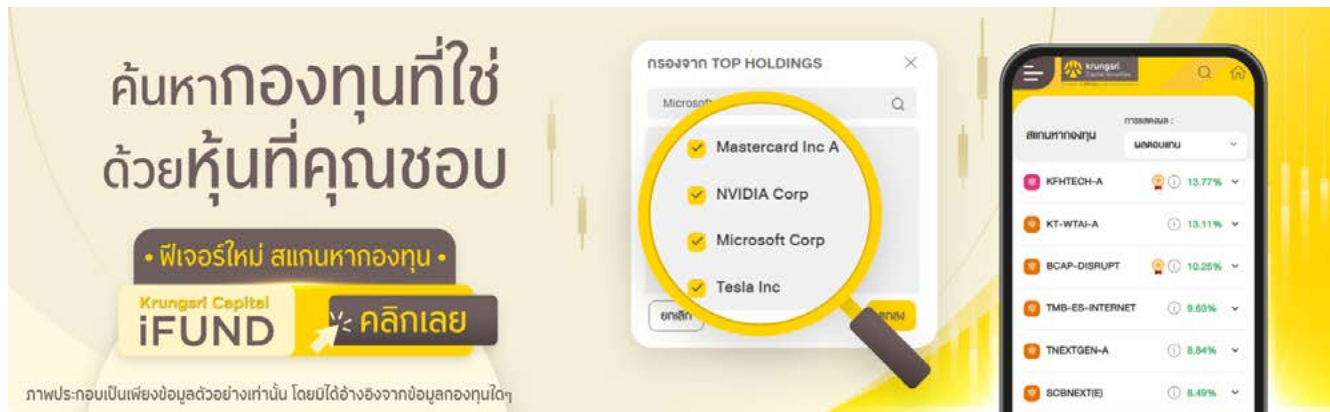
With such economic conditions and investor behaviors that showed a tendency to pursue stability and more diverse alternatives, the company in 2023 emphasized developing systems, services, products, and educational media as well as the collaboration with the Bank under the 'One Retail'

concept to deliver superior customer experience on various fronts as follows:

- Launched overseas securities trading services in 12 more countries for KSS iGlobal from the existing five, so our customers can now trade more comprehensively in 17 countries. The additional countries are China, Australia, the UK, France, Germany, the Netherlands, Italy, Austria, Belgium, Spain, Finland, and Portugal.
- Added structured note and fixed-income products for high net-worth investors
 - o Offshore structured notes based on offshore securities that include stocks, exchange-traded funds (ETF), indices, and commodities. The notes cover a total of nine types to match the demand of each customer:
 - Bullish Sharkfin Note
 - Bearish Sharkfin Note
 - Twin-win Sharkfin Note
 - Principal Protected Note
 - Capped Floored Floater Note
 - Equity Linked Note
 - Bonus Enhanced Note
 - Fixed Coupon Note
 - Knock-in Fixed Coupon Note
 - o Offshore fixed income (offshore bond) or offshore debt instruments, both private and public, in which customers can directly invest instead of via funds. This is an alternative that provides investors returns in the form of interest income or discount.



The advertisement features a yellow background. On the left, a smartphone displays the KSS iGlobal app icon, which is a dark square with a stylized 'K' and a globe. To the right of the phone, the text 'KSS iGlobal' is written in large, bold, dark letters. Below this, the Thai text 'แอปเดียวจบ' (One app to finish) and 'เรื่องการเทรดหุ้นต่างประเทศ' (Foreign stock trading) is displayed. At the bottom right, there are two buttons: 'Download on the App Store' with the Apple logo and 'ANDROID APP ON Google play' with the Google Play logo.



- Provided more comprehensive investment educational programs such as KSS Product Spotlight, KSS Tools the MOON, and MI Buddies to help investors of all ages

Regarding our development plan in 2024, the company will continue to expand our investment base throughout Europe and Asia to cover as many as 28 countries from the current 17 countries. We expect to be the first Thai brokerage company that offers securities trading services in the Middle East, starting with the United Arab Emirates, and we also aim to increase investment alternatives by launching more offshore mutual funds.

KRUNGSRI CAPITAL SECURITIES PCL

In 2023, the Thai stock market encountered difficulty due to fluctuations as a result of the US Federal Reserve (FED) raising interest rates, making the Thai equity bourse less attractive among foreign investors and consequently reducing foreign investment. Furthermore, certain listed companies were unable to repay their bonds, resulting in overall plummeting trading value, while the investment situation in international stock markets was also trending in the same manner. Despite market challenges, KCS maintained a 2.8-percent market share in individual investor trading and increased its market share in online trading to 2.4 percent, ranking 17th in the market, demonstrating the relevance and growing demand for online trading systems among KCS service users.

The debt market experienced subdued conditions, with investors delaying investments and issuers postponing bond issuance, resulting in a 13-percent fall in corporate bond issuance. However, the company saw significant growth in the Securities Borrowing and Lending (SBL) business, with revenue growth of more than 24 percent from 2022. This expansion was fueled by a 20-percent increase in retail lending, which was credited to internal process changes to improve service and speed, which led to customer service

improvements, and staff training to provide higher-quality information to investors. The industry's total volume of margin loan declined by more than 12 percent from 2022, but the company maintained its market share in the top-three position and saw a 17-percent increase in margin loan revenue. Despite challenging investment conditions, the selling agent business are maintained investment volume in the overall asset value under management (AUM) at the same level as the previous year.

Additional services available in 2023

- The company released a new version of its mutual fund trading platform, iFUND, which gives investors access to detailed information such as basic data, deep investment ratios, and performance statistics. It allows fund searching, comparison, and display of outperforming fund groups from all major Thai fund management companies. The investment reports cover topics such as trade transactions, dividend distributions, returns, and comprehensive investment statistics, catering to the diverse needs of investors looking for a balanced view of returns and risks.
- For the first time, the company launched the bond online subscription service to improve efficiency and customer convenience, saving time in document preparation and reducing paper-related hassles. This system is available to investors via the company's website, www.krungsricapital.com.
- Through the Line platform, the company provides 'Krungsri Capital Plus' as an additional feature under the official account, 'Krungsri Capital' (Line ID: @KrungsriCapital). Customers that utilize this service can quickly and easily access online services, analysis updates, and investment information.
- The company expanded identity verification options, allowing customers to choose from various methods tailored to different transaction types. These include

online verification through the Krungsri Capital iFUND app, National Digital ID (NDID) service, Counter Service at 7-Eleven, and DOPA Online, by customers taking a selfie while holding their national ID card.

- Furthermore, the KCS Corporate Access x mai Snapshot 2023 project was launched, providing opportunities for the management of listed companies to present business information, trends, and insights to customers, domestic investors, financial consultants, and analysts. The goal is to supply participants a thorough understanding of the company's operations.

Developments of sustainability initiatives

- The company planned to promote ESG funds, which were eligible for tax saving for 2023 and quite attractive among investors, by presenting analyses related to the funds to raise potential investors' awareness, knowledge, and understanding, such as ESG Research – COP28.
- The company's iFUND mutual fund trading platform is ready to serve investors interested in Thailand ESG Funds (TESG) from various fund management companies.

Key business plans and strategies

- To secure sustainable growth, the company is expanding its customer base by encouraging inactive customers to resume using the company's services. This comprises promoting and encouraging the use of an online system which is more user-friendly and efficient, with a focus on enhancing customer convenience when beginning to use the system, for a more excellent and impressive experience.
- The company has committed to increasing revenues through the 'Krungsri ONE Retail' strategy, fostering significant collaborative opportunities within Krungsri Group. This includes promoting other products through partnerships and creating innovative investment products. For instance, there is the ongoing collaboration with the investment banking team of Krungsri to enhance the financial advisory service operation, including an Initial Public Offering (IPO) and securities underwriting.
- As digital transformation is critical to the company's strategy, KCS is dedicated to continuous technological advancement and improved operational efficiency across the entire business. The key goal is to remain technologically advanced and improve operational efficiency, which will lead to the implementation and development of new services in the future.

CORPORATE BRANDING AND MARKETING DIVISION

In 2023, Krungsri underwent a brand refresh and officially launched its new brand promise in Thai to 'Make Life Simple Every Day' (ใช้ชีวิตง่ายได้ทุกวัน), though the English version remains 'Make Life Simple' as customers are already familiar with. This elevates Krungsri's branding to be relevant to today's context, continues to respond to customers' needs and behaviors, reflects the organization's core values, and helps drive Krungsri toward our business goals today and tomorrow. We implemented creative, distinctive, and simplified marketing communication strategies, enabling the Bank to reach all customer segments via online channels, Out-of-Home (OOH) advertising media, television commercials, as well as the organization of events and internal communications among Krungsri staff throughout the year. This campaign was able to reach up to 92 percent of the target audience, generating 302 million impressions through all channels, drawing 68 million views, and earning over 4 million engagements. More importantly, Krungsri's advertisements from our brand refresh and new brand promise were highly commended by leading global organizations in marketing communications and advertising. (For details of the awards, please refer to 'Awards and Recognition in 2023'.) In 2024, we are continuously moving full steam ahead with our commitment to communicating the brand promise to 'Make Life Simple'.

Another significant marketing campaign of Krungsri in 2023 was 'GO ASEAN with Krungsri'. During the year, we started communicating the 'Krungsri ASEAN Link', a new business advisory service that addresses all business requirements to help our customers grow in ASEAN and enables them to expand into more than 50 countries worldwide through the strong network of MUFG, which reinforces Krungsri's position as a regional bank.



In the dimension of sustainability, Krungsri, as a socially responsible bank, realizes the importance of promoting financial literacy among our customers and the general public in diverse ways via the Bank's various channels on a continual basis through the Krungsri The COACH project, a source of financial knowledge in all dimensions available on Krungsri's digital platforms consisting of social media and website. Under the concept of 'Making Financial Matters Simple', Krungsri The COACH, which is a collaboration among different units in Krungsri Group, provides essential financial knowledge, meets every need, and allows customers to relinquish their financial doubts in an easy-to-understand and practical format. It also inspires all customer groups in all dimensions of financial management, whether to save, spend, borrow, protect, or invest, as well as providing a channel for customers to access information on financial products and services more conveniently. Furthermore, Krungsri The COACH reflects our brand promise to make the lives of customers simpler every day, continuing Krungsri's mission to be a leading financial advisory for a sustainable Thai society. In 2023, the 'Krungsri The COACH: Can't Figure It Out? We'll Answer' program got a total of 13 million views, leading to a 14-percent increase in subscribers to Krungsri's YouTube channel compared to the prior year. Meanwhile, the Krungsri The COACH articles posted on the Bank's website also received an overwhelming response with more than 2.8 million page views. The project achieved remarkable success in 2023, receiving three prestigious awards: 'Financial Inclusion Initiative of the Year,' 'Best Brand Experience,' and 'Revolutionizing Financial Inclusion Through Digital Transformation for Exceptional Customer Empowerment.'

In addition to financial literacy, Krungsri also paid attention to and prioritized the disclosure of complete and accessible information on financial products and services. In 2023, the Bank conducted a system upgrade and website restructuring, aiming to improve the user experience for customers and website users. For instance, the content structure was redesigned to make its presentation and searching for information easier and more convenient, search engine optimization (SEO) was done to increase efficiency, and the website FAQs were updated for better alignment with present customer behaviors. These efforts resulted in a 30-percent increase in the search for 'Krungsri' compared to 2022. Also, Krungsri has continually refined our Line chatbot, enhancing its contextual understanding and enabling it to interact with customers efficiently, with an impressive 85-percent accuracy rate. Moreover, Krungsri leveraged the popular TikTok platform by creating engaging content that resonated with Thai audiences, boasting a 53-percent increase in followers and a 326-percent increase in views for Krungsri's TikTok channel. The enhancement of communication efficiency via different

channels has resulted in Krungsri successfully increasing the number of applications for its financial services. As a matter of fact, personal loans offered via the website and mobile application channels grew by 26 percent, and mobile application downloads climbed 11 percent from 2022.

For 2024, Krungsri has set forth guidelines on communications that are in conformity with the Bank's new Medium-Term Business Plan (MTBP) covering 2024-2026. We remain firm in our positioning as a regional financial institution dedicated to making customers' lives easier.

CORPORATE STRATEGY AND PLANNING GROUP

Krungsri continues to focus on driving our strategic direction in developing the business ecosystem covering four main areas: mobility ecosystem (Mobility), housing ecosystem (Living), commercial ecosystem platform, and Business-to-Business (B2B) by working closely with various partners to achieve sustainable development in the business ecosystem, including creating value for environmental, social, and governance (ESG).

Mobility ecosystem

In 2023, Krungsri expanded the linkage in the mobility business and focused on connecting the manufacturer directly to the consumer to develop new opportunities for manufacturers in a world where both the technology and the sales platform are rapidly changing. Krungsri also collaborated with a partner in the mobility ecosystem in the areas of ride hailing, car sharing and car rental that are rapidly expanding, especially in the EV segment for both two wheels and four wheels, EV charging station and battery swapping stations, manufacturing and installation of EV chargers, and support for activities which aim for net zero such as carbon footprint tracking and energy-saving technology.

In addition, Krungsri partnered with Thai Honda, the motorcycle market leader, to develop environmentally friendly vehicles (Green Mobility) to deliver on their potential social value for the environment. Krungsri has rented electric motorcycles (EV bike) which is a pilot project to be used as vehicles for receiving and sending documents within the Japanese Corporate Banking Division and at 15 branches in Bangkok. It reinforces Krungsri's commitment to carbon neutrality and the reduction of carbon dioxide emissions from Bank operations by 2030.

Krungsri also continued our cooperation in creating awareness and allowing the public to experience using electric motorcycles by opening a point for electric motorcycle rental at the

Chao Sam Phraya National Museum, Phra Nakhon Si Ayutthaya Province. Tourists and the public can register for their use at no cost.

In terms of promoting the use of clean energy, Krungsri, in collaboration with partners which are service providers of solar power system installation, introduced solar energy system products to SME customers in the automotive industry, and later to SMEs in other businesses. In 2023, Krungsri extended loans via the Solar Roof Lending Program amounting to more than 1.2 billion baht in credit lines.

Moreover, to promote the mobility ecosystem, Krungsri began developing the EV Marketplace as an online platform, the first phase of which will feature electric vehicle charger products (EV chargers). In the first quarter of 2024, other products related to EV users will be added.

Business process improvement

The Bank is presently focusing on enhancing productivity and efficiency through comprehensive business process improvement initiatives, including business process reengineering (BPR). We successfully implemented robotic process automation to streamline and support operational processes Bank-wide, completing more than 600 transactions in 2023. Furthermore, we are actively leveraging lean methodology to drive additional process improvements.

Our focus also extends to enhancing the customer experience. We are committed to serving our customers more efficiently, aiming for end-to-end improvements that enable faster and more seamless interactions. These combined efforts underscore our commitment and dedication to optimizing operational efficiency and delivering sustained value to our stakeholders while prioritizing an enhanced experience for our valued customers.

In the social aspect, Krungsri aims to enhance financial literacy and discipline among Thai children. We won first prize in the BOT's CBDC Hackathon with the initiative, 'Grow Up Wallet', which is a tool to build financial literacy through CBDC for Thai children. The solution was built with human-centered design through which we identify parent and child target personas, design value proposition, and validate the hypothesis about parents and children's pain points and goals.

Partnerships

Krungsri continues to explore new business opportunities with leading partners in various areas of the lifestyle business segment such as Grab, Shopee, and Lazada. Krungsri links its business strength with key strategic partners to elevate the Bank to another level of competitive advantage in the



market. In 2023, Krungsri successfully continued its key business collaboration with one of the leading food delivery services in Thailand. Additionally, Krungsri is working to discover potential new lifestyle collaborations with a large e-commerce platform and a Thai corporation to ensure that Krungsri delivers on the brand promise, 'Make Life Simple', through everyday lifestyle partnerships.

For the expansion of the living ecosystem, the Bank expanded its collaboration with business networks and partners, including connecting the business partners directly with buyers, supporting the deep-tier financing for the small construction material merchant, and connecting land developers directly with the Bank's foreign customers. Moreover, the Bank signed an MOU with a partner from Japan that provides Alzheimer's medicines in preparation to support the upcoming aging society, and also connected solar energy system providers and installers with housing developers.

INFORMATION AND DIGITAL

In 2023, the Bank continued working in accordance with the guidelines of the third MTBP (2021-2023), with a focus on planning megaprojects related to modernizing the IT and digital foundation of Krungsri Group over the long term. This includes the 'Digital First', 'Platform for the Future', and 'Open Banking' data-driven organization initiatives to help enhance effectiveness and efficiency as well as to support business expansion across the ASEAN region.

Krungsri is committed to developing our IT and digital workforce in several dimensions, promoting both invention and innovation within the organization. This includes the region-wide expansion of our Innovation Hub and the preparation of new working areas for our teams in line with new trends in work culture in the wake of the pandemic. In 2023,



the Bank launched Stellar by Krungsri, formerly known as the Krungsri Innovation Center (KSIC), which nurtured innovation in many forms as follows:

- Sharing stories of innovation and creating novel ideas through workshops, mentoring, and other activities to stimulate practical creativity
- Starting an incubation program to give interested employees an opportunity to cultivate their ideas and innovations with Stellar
- Launch of Krungsri Innovation Citizen for Krungsri employees who have passed the incubation process according to Stellar's conditions, with a pilot group of more than 200 employees participating in the Krungsri Innovation Talent Program and the Innovation Mini Competition for Finance, in collaboration with the Human Resources Learning and Development Division (HR L&D team) to create future innovations for Krungsri

In addition, emphasis on the environmental, social, and governance or ESG dimensions is becoming a key agenda for corporates around the world amidst the rapid growth of the digital transformation trend that has prompted all organizations to adopt technology in conducting business.

Aware of the importance of ESG as the foundation for our corporate businesses' sustainable growth, Krungsri focused on meeting ESG needs in terms of supporting product development and organizational management so that the Bank could confidently choose proper solutions that meet their business needs, such as supporting the launch of Thailand ESG Funds (TESG) that invest in stocks that take ESG into account, the launch of new branch sales tools, and the introduction of D-Channel, the new digital channel for corporate customers aimed at reducing paper usage.

Krungsri has made ESG a top priority in the new MTBP spanning 2024-2026. The aim is to develop sustainability capabilities and shift the business portfolio toward achieving the goal of decarbonizing our own operations by 2030. Data and digital can play a key role in developing strategic plans alongside IT and business transformations in meeting sustainability goals, measuring performance effectiveness, monitoring risks, and responding to disclosure requirements.

Sustainability strategies regarding IT and digital thus far:

- Accountability to reduce or offset emissions from IT operations
- Automation of labor-intensive processes
- Migration of applications to cloud storage in order to reduce emissions and e-waste
- Consolidation, simplification, or deactivation of some systems
- Hybrid or remote worker enablement
- Technology innovation process, facilities (e.g., laboratories), and partner connections

In addition, rising demand for ESG reporting necessitates that organizations define metrics, secure relevant data, and establish consistent approaches, reflecting the expanding importance of ESG KPIs across diverse stakeholders such as:

- System usage and performance metrics
- Data sourcing, smart capture, integration, and virtualization
- Artificial Intelligence (AI) for smart data capture, decision support, and anomaly detection in data or operating systems

OPERATIONS GROUP

Krungsri has realized its roles and responsibilities in driving our commitment towards achieving the net-zero target. We have dedicated ourselves to revolutionizing our operational processes while also transitioning toward a digital way of working. This transformation involves leveraging advanced digital technologies and automation to optimize workflows, thereby minimizing our environmental impact, enhancing overall efficiency, and optimizing resource utilization. Simultaneously, we have instilled a net-zero culture into every significant part of our organization, ensuring that sustainability practices are embraced not just in daily operations but also in every facet of our existence. In 2023, the Operations Group actively shaped the operational landscape to pave the way for a sustainable future.

We proudly reached a significant milestone by incorporating artificial intelligence (AI) and machine learning (ML) technology in operations. The implementation of AI and ML to create

a cash forecasting model, coupled with a vehicle routing model for Krungsri ATMs, stands as a testament to our commitment. This initiative has not only resulted in substantial cost savings but has also played a pivotal role in minimizing environmental impact by reducing fuel consumption and carbon emissions.

Additionally, the Bank introduced the Intelligent Valuation System (IVS), an automated appraisal system utilizing AI and ML technologies. This cutting-edge system efficiently processes appraisals for detached houses, townhomes, and condominiums, incorporating market comparisons. This move addresses the growing demand for mortgage loans and collateral appraisal, offering a streamlined process that leads to significant cost savings.

Furthermore, we are presently upgrading our cheque operation system to allow it to generate digital batches of cheque data in place of traditional physical batches. This innovative solution is poised to streamline branches' input process and enhance cheque data verification and reconciliation, resulting in improved productivity and efficiency.

As for the adjustment of operational processes by using digital innovation, the Bank, through the Operations Group, introduced numerous key initiatives aimed at advancing productivity. These include the development of operations automation tools such as a daily ATM reconciling tool, smart trade navigator, repo margin call ticket generator, and auto-reconciled end-of-day SWIFT and settlement list for derivatives and Credit Support Annex (CSA). These tools have proven to be highly effective in operations, mitigating risks, reducing manual tasks across various departments, as well as showcasing our commitment to operational efficiency and control.

As for environmental and social responsibility, the Bank introduced e-FX confirmation via Krungsri Biz Online (KBOL) to streamline the confirmation process, strengthen control measures, and minimize documents pending—while also promoting environmentally friendly paperless service.

Additionally, we are transitioning to e-documents submission for retail loan products, starting with mortgage loans, personal loans, merchant tax invoices, and supporting documents. This move is anticipated to save over 8 million sheets of paper annually. Furthermore, we are digitizing our document safekeeping process to enhance efficiency, reduce paper stored in our main vault, and minimize annual storage costs.

To comply with regulatory requirements, we have completed phase 1 of the Regulatory Data Transformation project for credit products based on the Bank of Thailand's regulations. We will continue with the remaining phases for FX and

derivatives, payments, and securities, aligning with the agreed timeline. In this connection, the migration to SWIFT ISO 20022 has been successfully undertaken, and we are in the process of upgrading relevant systems to support cross-border payments under the ISO 20022 standard.

As for service quality, we have established a live chat service via Line Official to facilitate customer accessibility and gain valuable insights into customer needs. This enables our contact agents to respond to and resolve customers' issues faster and more accurately. We have also implemented a new interactive voice response (IVR) system for the merchant contact center under the Commercial Banking Contact Center through self-service, effectively reducing incoming calls by 15 percent, while the calls are transferred to the correct responsible functions.

Furthermore, the Operations Group collaborated with the Krungsri Consumer Contact Center to provide service to Krungsri Private Banking customers, while being capable of delivering professional and seamless one-stop service to the high net worth customers.

We have continually supported the implementation of QR cross-border payment services in Cambodia and QR cross-border remittance services to Singapore to promote financial inclusion and reduce transaction costs.

For 2024, the Operations Group remains steadfast in embracing sustainability, the 'Make Life Simple' concept, and technologies for a robust digital process to achieve the net-zero ambition and the new Medium-Term Business Plan.

One of the central plans is to create workflows to improve and support key working processes within the Bank, including implementation of an end-to-end automated credit operations system. This will not only increase efficiency and effectiveness but will also maximize the benefits of digital transformation for operations. Additionally, we place importance on seamless collaboration with internal functions, such as the Global Markets Group, to drive the development of end-to-end automation for derivative instruments, foreign exchange trading services, and CSA products. This goes along with procuring cutting-edge technologies to develop information management tools for administration, reporting, and data analysis, driving automated operations together with building a culture of data-driven planning and decision-making.

In addition to the aforementioned plan, our roadmap includes bolstering paperless initiatives, electronic platforms, and digital channels to offer greater convenience to customers—particularly in loan transactions. This involves an e-drawdown of loan transactions via KBOL, credit fee payments, and audit

confirmations via the BCI's blockchain platform. Additionally, we aim to enhance trade finance via KBOL, enable e-Financial Certificates through Kept by Krungsri, and support the Davinci project for fast, one-stop services for merchant customers.

To enrich the customer experience, we plan to enhance service infrastructures and utilize service cloud technology, artificial intelligence (AI), machine learning (ML), and ChatGPT to modernize and expedite service quality and connections across all Krungsri channels. Automated speech and text analytics will be utilized to boost the efficiency of our service quality control. This is to ensure that excellent service is consistently delivered to our valued customers.

HUMAN RESOURCES GROUP

Commitment toward holistic human resources management and development to propel the organization 'To be the most sustainable commercial bank in Thailand'

In 2023, Krungsri continued our intention to develop into a model organization for the net-zero culture that supports efficient resources management and drive the organization **'To be the most sustainable commercial bank in Thailand'**. Also, Krungsri focused on human resource excellence through holistic human resources management and development by adhering to the principle, 'Employees are the most important internal customer'. The Bank takes the best care of employees, respecting and embracing their diversity. Krungsri strives to create a perfect ecosystem and work experience in all dimensions to become the 'Best Place to Work' where employees can efficiently deliver exceptional work while showing their sense of love, pride, and bonding in the organization so as to drive the business toward sustainable growth.

In the human resources development aspect, Krungsri focuses on enhancing personal excellence to improve individual performance and drive the organization in the new digital and AI technology era as well as preparing employees for changes and ESG practices toward sustainable growth. We have developed six learner-centric programs: Achieving Everyday Success, Striving Beyond Your Best, Getting Ready for Future, Winning Business Challenges, Growing Expertise, and Leading to the NEXT Level. In addition, Krungsri focuses on cultivating a growth mindset and learning agility in employees to encourage continuous learning.

Krungsri has provided learning programs for upskilling or reskilling to support employees to work efficiently and prepare them for future growth with the organization, such as the high-level executive potential development programs. Examples of these programs include the 'CXO program'

for senior executives, the 'TRANSCEND' and 'TRANSITION' programs under the theme of 'Leading in the age of digital disruption and moving our organization to the NEXT level', the 'Krungsri Innovation Talent Program' under the Krungsri School of Innovation to create new ideas under the concept, 'The innovation that enhances and strengthens the banking ecosystem or responds to sustainability in the ESG perspective', as well as programs that have been developed especially for frontline sales employees in order to support the Bank toward becoming a trusted business partner, i.e., Super RM Pathway 2023 program, SME Super Hero program, and Krungsri SME Superhero Program Pathway.

Furthermore, Krungsri Group, MUFG Group, MUFG partner banks, and ASEAN Economic Community (AEC) entities have jointly developed the Global and Regional Development Programs that provide employees continuous self-improvement opportunities in response to ASEAN business expansion. Moreover, to provide knowledge about sustainability, Krungsri has also designed learning programs covering three dimensions, i.e., environmental, social, and governance. Examples of the programs are 'ESG: The Next Big Thing of Banking', 'Current Issues in Sustainable Banking and Sustainable Finance Development in Thailand', and 'Thailand Taxonomy: A New Rule for Sustainable Banking'. We also arranged special lectures related to sustainable development presented by external entities.

For talents and successors to critical functions, we remain committed to establishing strong processes to identify and develop them while also building employee engagement by launching new projects, i.e., the Action Learning Program focuses on developing and improving strengths of employees, the Global and Regional Development Programs, and the PerSpEXecutive Program to promote employee engagement among talents and successors. Also, Krungsri encourages our employees to learn anywhere, anytime, and continues to promote self-improvement by providing a wide range of learning solutions to ensure alignment with ways of living, such as 'The Inspirer' program and the 'Short Reading Shaping Leaders' program which are micro learning solutions that provide short, precise, and practical content to create inspiration. More than 400 e-books for self-learning are provided through two platforms: e-Library by KS x Bookdose and Gale e-Library. Based on all of these learning options, the average amount of Krungsri employees' training time in 2023 was 57.10 hours per person.

Krungsri continues implementing the hybrid work model, which seamlessly integrates traditional office work and remote work to promote a work-life balance ensuring that our employees can work efficiently and happily



in alignment with modern ways of life. Simultaneously, Krungsri also promotes the digital way of work together with ESG practices for sustainable growth. We constantly developed and improved our KarE application in 2023 by creating new features and services to provide employees convenience, speed, and flexibility. Krungsri history, interesting facts of working life, and a variety of lifestyle tips are conveyed and communicated to employees in order to improve employee engagement and enhance their understanding of various aspects of organizational culture through a video platform called KarE Channel. Moreover, we developed the Krungsri Happy Pay Day feature so that employees can easily access information such as salary data and withholding tax certificate (BIS50) through self-service modules, reducing paper usage for documents. We also created a chatbot called KarE Na to answer key HR-related and frequently asked questions.

In the dimension of comprehensive employee welfare benefits and healthcare, Krungsri provides an annual medical examination, flu vaccination service, onsite medical room, and healthcare information communications. Krungsri also promotes the use of the electronic health insurance card instead of the physical card as well as the online medical claim service for convenience and speed. Additionally, Krungsri attaches importance to employees' mental health and continued our mental healthcare project by inviting mental health experts from the Faculty of Psychology, Chulalongkorn University, to provide psychological counselling to employees and family

members. We also organized a Healthcare Week event and a CPR/AED Champion project to create an emergency rescue team to deliver basic life support and first aid to colleagues or sudden cardiac arrest victims.

Krungsri plans to manage and recruit new talents, especially in the IT and digital field, to support business growth and intensified competition in the digital era. This aims to drive Krungsri to be 'Beyond Banking, Beyond Thailand, and Beyond Tech'. Our Talent Community was created and Krungsri Meet Up events were organized in order to create a positive reputation for Krungsri as an IT and digital leader. New trend updates were provided and talents were offered opportunities to exchange experiences, and communications were continually made through social media platforms to offer great opportunities to work with Krungsri in ASEAN countries.

In 2024, Krungsri remains focused on ecosystem development with innovative and comprehensive technologies, supporting and offering opportunities to employees to develop and leverage their full potential to efficiently respond to business expansion in Thailand and other ASEAN countries in accordance with the Krungsri aspiration to **'Be the leading sustainable and regional bank'**.

BUSINESS MANAGEMENT OF SUBSIDIARIES, ASSOCIATE, AND JOINT VENTURES

KRUNGSRI AMC

► KRUNGSRI AYUDHYA AMC LIMITED

Type of service: Purchases and accepts impaired assets transfers (NPLs and NPAs) for management through debt restructuring or collateral for disposal. The company also undertakes NPA maintenance to ensure that they are in good condition and ready for sale.

Market and competition: None; the company is only a provider of support services to the Bank.

Source of funds: The Bank

KRUNGSRI NIMBLE

► KRUNGSRI NIMBLE COMPANY LIMITED

Type of service: Provides information technology services to only the Bank and all companies in our Financial Business Group, without service provision for third parties. The company's focus is on studying and developing digital innovations, while building the Bank's future platforms, including Krungsri Mobile Application, website, and blockchain, as well as further developing platforms currently in use.

Source of funds: The Bank

KRUNGSRI LEASING

► AYUDHYA DEVELOPMENT LEASING COMPANY LIMITED

Type of service: Provides financial lease and hire-purchase services to enable SMEs and large corporations to acquire machinery, equipment, and all types of commercial vehicles for business use.

Market and competition: Krungsri Leasing focuses on providing customers financial lease facilities for commercial purposes, so that they can acquire machinery, equipment, and commercial vehicles which enhance their capabilities for business expansion, or increase their financial liquidity in addition to banking facilities. The company provides the credit facilities based on customers' operating cash flow as well as the liquidity of the leased asset rather than the collateral value of the immovable property; therefore,

financial packages that suit to customers' needs with competitive terms and conditions will be provided.

Krungsri Leasing, the industry leader, focuses on medium-to large corporate customers in various industries nationwide, thereby differentiating the company's products and services.

Source of funds: The Bank

KRUNGSRI AUTO

Type of service: Krungsri Auto, a leader in automotive finance under Bank of Ayudhya Public Company Limited, strives to deepen customer engagement through diverse, innovative products and services that fully meet customers' needs. Krungsri Auto offers a variety of vehicle financing services including new cars (Krungsri New Car), used cars (Krungsri Used Car and Krungsri Rod Baan), car refinance (Krungsri Car for Cash), and trucks (Krungsri Truck), operated by Krungsri Auto Group, Bank of Ayudhya Public Company Limited; as well as motorcycles (Krungsri Motorcycle, Krungsri Used Privately Owned Motorcycle, Krungsri Big Bike, and Krungsri Used Big Bike), motorcycle refinance (Krungsri Car for Cash Motorcycle), and inventory financing (Krungsri Inventory Finance) along with insurance products and services, operated by Ayudhya Capital Auto Lease Public Company Limited.

Source of funds: The Bank and debentures of Ayudhya Capital Auto Lease Public Company Limited (AYCAL)

KRUNGSRI CONSUMER

► KRUNGSRIAYUDHYA CARD COMPANY LIMITED

Type of service: Credit card issuer provides various products to serve customers' diverse lifestyles. With a total of more than 2.3 million cardholders in 2023, KCC's product range comprises Krungsri Private Banking, Krungsri Exclusive Signature Credit Card, Krungsri Signature Credit Card, Krungsri Visa Platinum Credit Card, HomePro Visa Platinum Credit Card, Krungsri Lady Titanium Mastercard, Krungsri Corporate Credit Card, Krungsri Manchester United Visa Platinum Credit Card, AIA Visa Platinum Card, Krungsri JCB Platinum Card, Siam Takashimaya Credit Card, and the newly launched 'Krungsri Now Credit Card', KCC's first digital credit card. On October 31, 2023, KCC was assigned an AAA rating by TRIS Rating Company Limited. It has received this rating for eight consecutive years, reflecting the company's capability in maintaining its leading position in the credit card business, with asset quality management and a solid equity base, as a strategic subsidiary of Bank of Ayudhya Public Company Limited.

Product: KCC continued to adapt and promote its various products and services, including promotional activities that covered not only digital and online areas, but also offline areas, to fulfill customers' lifestyles in all segments, in line with the subsiding COVID-19 pandemic. Indeed, KCC emphasizes necessity-for-living categories such as insurance, hospital, and supermarket, as well as online platforms for the greatest relevance. Those online privileges are available for e-commerce platforms, QR payment, and e-wallet applications. In addition, KCC strengthened its shopping and fashion categories, given that customers have returned to their normal spending patterns. More importantly, KCC holistically refined and promoted travel-related benefits such as hotel, airline, OTA platform, duty-free, and cross-border payment. All of these measures are part of our best efforts to ensure customers can get the best value for money and relevant benefits. Finally, we still believe in the point redemption privilege as another strong marketing weapon, and emphasize this for customer benefit.

Source of funds: The Bank and debentures

▶ AYUDHYA CAPITAL SERVICES COMPANY LIMITED

Type of service: Sales finance, personal loan, digital personal loan, credit card, and nano finance

Product: Krungsri First Choice is a leading service provider of personal loan, sales finance, and credit card. The company has provided financial services for customers since 1994, and now has more than 2 million cardholders. In 2020, Krungsri First Choice rebranded with the concept of 'Where the Promising Future Begins' in order to uplift the brand image from 'Loan Service Provider' to that of a 'Credit Builder'. To enhance customers' financial status and to respond to the new generation's lifestyle choices, the company has more than 20,000 partner sales outlets and 200 First Choice branches nationwide. Krungsri First Choice offers various products including Krungsri First Choice Card, Krungsri First Choice Visa Platinum Card, XU Digital Credit Card, and First Choice Snap Cash, serving credit card, sales finance, and personal loan services. Furthermore, with its strategic business partnership, the company also offers the Central The 1 First Choice Card, HomePro First Choice Card, and Mega Home First Choice Card to offer lifestyle privileges that match customers' needs. Krungsri First Choice Biz Card and Mega Home First Choice Biz Card are available for the self-employed or entrepreneurs.

Source of funds: The Bank

▶ GENERAL CARD SERVICES LIMITED

Central Group has again demonstrated its confidence in General Card Services Limited, which manages Central The 1 Credit Card, by renewing its services partnership contract. Under the contract, the company manages the Central The 1 Credit Card, the benefits of which apply to all of Central Group's businesses through The 1 Loyalty Platform. As a member of MUFG, a global leading financial group, Krungsri Group is constantly working to provide even better services to Central Group's customers.

Type of service: Launched in 2017, Central The 1 Credit Card is the first and only co-branded lifestyle credit card that allows cardholders to collect more points at a faster rate and with no spending cap to enjoy more benefits. For example, cardholders get up to a 10-percent discount on a single purchase made at any of the more than 5,000 famous-brand outlets represented by Central Group under The 1 Card Loyalty Platform. Consumers can also enjoy other benefits offered by non-Central Group companies that enhance everyday life, through the use of Krungsri Consumer's credit cards.

Product: Central The 1 Credit Card is positioned as a lifestyle credit card. Its uniqueness lies in its simple design and premium-quality materials with a metallic effect, which has never been used before in Thailand. The card comes in four sub-brands, each with different benefits that best address different groups of target consumers. In addition, contactless card payment, the latest payment technology from Mastercard, has been introduced as part of the Central The 1 Credit Card. Cardholders' shopping experience has been upgraded as cardholders can now simply place their cards over the payment terminal and go. This provides shoppers more convenience, as well as faster and more secure transactions, through the contactless payment method. The new look of Central The 1 REDZ Credit Card (Limited) was launched recently. With a trendier interface design, the card offers the benefits of discounts and cash-back credits that best suit the new generation's diverse lifestyles of online surfing, dining, shopping, traveling, and entertainment in an all-encompassing, demand-meeting fashion.

Central The 1 Personal Loan is an innovative personal loan product providing greater convenience to customers. The card can be used to simply withdraw cash within the approved limit from Krungsri's ATMs nationwide without submitting additional documents.

Source of funds: The Bank

▶ LOTUS'S MONEY SERVICES LIMITED

Type of service: Lotus's Money Services is a 50:50 joint venture between Krungsri Group and Lotus's, Thailand's largest supermarket chain. Established in 2001 and launched with the Tesco Lotus Private Label Credit Card, which was later enhanced to become the Lotus's Visa Credit Card, the company grew further and established two wholly owned insurance brokerage subsidiaries for general and life insurance. Previously known as Tesco Lotus Money Services Limited, it changed its name to Lotus's Money Services Limited. With the new brand of Lotus's Money Plus, in 2021, Lotus's Money Services Limited continued to expand its distribution network through Lotus's stores, with more than 200 in-store financial services and insurance counters, and more than 750 dedicated sales staff offering Lotus's shoppers simple and convenient financial services, focusing on creating a memorable customer experience through daily delights, simple and smart products, and innovations.

In 2022, Lotus's Money Services Limited joined forces with Mastercard to launch the new 'Lotus's Credit Card' to expand their customer base. The new card targets the younger generation with a modern lifestyle, and is rich in benefits and ease of use for daily spending within and outside of Lotus's locations, ensuring customers can enjoy added value.

Lotus's Money Services Limited is committed to delivering excellent services and convenience to customers through whichever channel they choose to apply for and use their products, including Lotus's stores, online channels, website, call center, and the UCHOOSE mobile application.

Source of funds: Shareholders (Ayudhya Capital Services Company Limited and Ek-Chai Distribution System Company Limited)

▶ LOTUS'S GENERAL INSURANCE BROKER LIMITED

Type of service: The company offers a range of automobile, accident, health, non-life insurance, and general insurance products at more than 200 Lotus's locations nationwide, or through the company's call center and website. Partnering with well-known and trusted insurance providers, the company offers simple, rewarding, and easy-to-apply-for products, with great value and diverse payment options designed for Lotus's shoppers.

Based on their key principles of 'ease, value, and trust', these products aim to make insurance more accessible, inclusive, and affordable. The breadth of protection caters to various customer demands at different life stages, with an omnichannel concept for timely response to changing

consumer behaviors, ensuring utmost customer convenience to access the company's products and services.

Source of funds: Shareholder (Lotus's Money Services Limited)

▶ LOTUS'S LIFE ASSURANCE BROKER LIMITED

Type of service: The company provides life insurance products and services to Lotus's customers via phone, offering a variety of life insurance products, including short-term and long-term savings, and lifetime-coverage insurance.

Source of funds: Shareholder (Lotus's Money Services Limited)

▶ KRUNGSRI GENERAL INSURANCE BROKER LIMITED

Type of service: Established as a non-life insurance broker and a life insurance broker in 2007, the company changed its name from Quality General Insurance Broker to Krungsri General Insurance Broker in 2011, and provides personal accident, health, travel, automobile, life insurance, and credit card and personal loan protection insurance to customers of General Card Services Limited, Krungsriayudhya Card Company Limited, and Ayudhya Capital Services Company Limited.

The company has grown its product range and continues to introduce customers to a wide range of non-life products such as hospitalization income plans, cancer and critical illness insurance to help reduce financial burden when critical illness is present, as well as personal accident, and other selected general insurance products.

The company has continued to grow, driven by a broader product range, new insurance partners, and a customer segmentation strategy. The company has presented customers a range of endowments, term-life products, and retirement plans, as well as inpatient department (IPD) and outpatient department (OPD) health insurance plans from selected life insurance partners. It has also focused on customer analytics to develop appropriate products for specific customer segments.

Source of funds: Shareholder (Ayudhya Capital Services Company Limited)

▶ TOTAL SERVICES SOLUTIONS PUBLIC COMPANY LIMITED

Type of service: The company provides debt-collection services as well as litigation for unsecured products covering personal loans, credit cards, and sales financing. Major customers are the Bank and companies in Krungsri Group, including

Ayudhya Capital Services Company Limited, General Card Services Limited, Krungsriayudhya Card Company Limited, Lotus's Money Services Limited and Krungsri Genesis Company Limited.

Strategies for business growth: The company plans to remake itself as a collection consultant while retaining its responsibility for ensuring that customers can make payment under their terms and conditions and return their account status to normal. It also provides debt counseling services focused on building better customer experiences, including overdue and bad debt management by analyzing customers' ability or intention to pay off debt, and designing programs to help them reduce their debt burden in a way that aligns with their payment ability. Regarding the economic situation in 2023, a slowdown in economic activity and employment impacted household debt problem and debt servicing ability. So the company promptly adjusted its strategy, proceeding to closely align with the Bank of Thailand's announcement regarding debt relief for customers to accommodate the circumstances of the sluggish economy, focusing on responding to customers' urgent needs and participating in the Bank of Thailand's measures to assist debtors, such as debt restructuring, debt consolidation, Debt Clinic, and Debt Relief Expressway. The company also collaborated with government agencies during 2023 to organize debt mediation fairs both in Bangkok and the provinces. Such adaptability to a rapidly changing situation in the role of collection consultant is a mark of the company's resilient transformation and serves as a new paradigm for its sustainable growth as one of Thailand's top debt collection service firms.

Customer services: In terms of improving customer experience, customer centricity is used as the conceptual model and disseminated to all employees based on customer analysis, or understanding of customers' behavior that requires more facilities, faster response, and straightforward services, including provision of a new and superior customer experience model. At the same time, the company has developed an AI-based system that helps in learning and understanding customer problems to meet their needs, by running the 'AI Outbound Call' to contact customers for reminders and making appointments for their repayment; this initiative has enhanced our service in the platform of **Collection Digital Services** to facilitate customers in readily accessing services anytime, anywhere, by developing our customers' debt services process to be **Collection Automated Process**. The company has also made use of the UCHOOSE mobile application for its debt collection services, increasing digital contact channels (such as Line Official Account, SMS landing page) and providing information about debt relief and debt restructuring programs through this self-service application,

as well as receipt and delivery of documents through an online system, providing an easier approach for other debt repayment services at present and in the near future.

Source of funds: The Bank

► KRUNGSRI GENESIS COMPANY LIMITED

Type of service: Buy Now Pay Later

Product: Krungsri Genesis has been providing financial services for customers since 2023 through strategic business partnership. Recently, the company released the 'Homepay by Krungsri Genesis' loan product, which allows customers to 'buy now and pay later'. The loan product is easy to apply for and requires no income documents. Customers also receive instant approval results and can use the approved loan immediately without paying in installments by using a card. The maximum credit limit is 100,000 baht, so customers can choose to pay in installments for any product, from any department, at all branches of HomePro and Mega Home.

Source of funds: The Bank

► KRUNGSRI LEASING SERVICES COMPANY LIMITED (LAO PDR)

The company's business has continuously grown since its establishment in December 2014. The company has a head office in Vientiane Prefecture and a branch in Pakse, Champasak Province.

Currently, the company provides Lao PDR's fullest line of products within the leasing industry, offering automotive loans for both new and used vehicles to retail and fleet customers, covering passenger cars, pickups, SUVs, and trucks of less than four tons capacity, vehicle refinancing loan (Car4Cash), and new motorcycle financing. The company also offers home furnishings and electrical appliances, mobile phones, computers, and gold through a sales financing product (Krungsri First Choice), to fulfill the needs of customers through strategic partners.

The latest products launched were Car4Cash Balance Transfer and Krungsri First Choice Credit Line to better meet customers' financial needs in Lao PDR.

Given the company's advantage in market coverage following physical expansion, combined with an increase of Direct Sales Agents (DSAs) and diverse product initiatives launched, the company can manage proper weighting of investments to focus on products and areas that generate better yields. A strategic business plan has been implemented to leverage its strengths into the company's Medium-Term Business Plan.

Apart from stable and sustainable financial growth, the company recognizes the significance of digital technology in helping to increase customers' convenience while reducing operating costs. The company plans to apply new digital technologies by developing online applications for both website and in development for mobile platforms, which include auto financing, sales financing, and personal loan product, to be more user-friendly and offer more functions. Customers can easily browse company information, profile, products and services, payment, news, and promotions, as well as apply for products online.

Moreover, the company has continuously improved its services by developing its internal systems, customer digital journey, and services infrastructure, to simplify processes and speed up approval times through greater efficiency.

In strengthening its Krungsri Leasing brand and image, the company has deployed digital media, including the promotion of its new business and products as well as raising brand awareness, building a digital community to engage customers, enhancing the customer experience, and creating brand loyalty.

With Krungsri Core Values, the company is focusing on human resources development by leveraging the Krungsri online training platform, to continuously improve professional mindset and services. Furthermore, KLS has promoted new knowledge and skill sharing to the workforce among all levels of employees.

Type of service: The company provides auto hire purchase, sales financing service (Krungsri First Choice), and personal loan through Krungsri Non-Deposit Taking Microfinance Institution for retail consumers and SMEs in Lao PDR.

Market and competition: Amidst the global impact of the COVID-19 pandemic, the economy of Lao PDR was inevitably affected. However, the country has recovered following the reopening which boosted its foreign direct investment, tourism, transport, and logistics services, thanks to the completion of the Laos-China railway project.

Meanwhile, the government of Lao PDR enforced countermeasures and policies to control its inflation, while the country's GDP growth* is forecast to be at 3.7 percent in 2023, from 2.7 percent in 2022.

The company continues to focus on strengthening relationships with its dealers and expanding dealer networks with a dealer segmentation strategy, along with products and services, by adopting expertise and technology from Krungsri Auto and Krungsri First Choice, which will allow the company to be a market leader in Lao PDR.

Source of funds: The Bank

*Source: Asian Development Bank

▶ KRUNGSRI NON-DEPOSIT TAKING MICROFINANCE INSTITUTION CO., LTD. (LAO PDR)

Type of service: The company is owned by Krungsri Leasing Services Company Limited. The company was incorporated in Lao PDR on February 7, 2020. The company's main business is non-deposit taking microfinance.

Source of funds: The Bank

KRUNGSRI SECURITIES

▶ KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED

Type of service: Securities businesses that can be categorized as follows:

Securities brokerage: The company provides securities (stock) brokerage service for equities listed in the domestic stock market and five foreign markets, namely the US, Hong Kong, Vietnam, Japan, and Singapore. It is eligible to buy fractional shares and exchange-traded funds directly in the US market, while it can also act as a broker for derivative trading on the local bourse as it is member no. 29 of the Stock Exchange of Thailand. The company serves individual and institutional investors both domestic and foreign. It has a highly experienced marketing and research team to provide investment advice and recommendations to investors.

Investment banking: The company provides various investment banking services including financial advisory, financial arrangement by acting as arranger and underwriter for both equity and debt securities, financial restructuring, debt restructuring, business rehabilitation, merger and acquisition, feasibility study, business valuation, and transactions that align with rules and regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

Wealth management: The company provides investment consultancy and management services concerning both equity and debt instruments in the short-, medium-, and long-term. It focuses on maximizing clients' satisfaction with decent returns and professional services as well as privileges such as seminars arranged especially for wealth management clients and access to other benefits.

Private fund management: The company provides a private fund management service for clients. Each client will have a fund manager to look after them and be responsible for investment planning and fund management in accordance with the client's type and objectives.

Mutual funds trading: The company acts as a broker in trading of mutual funds issued by asset management companies in Thailand. It sells products of asset management companies to interested investors.

Investment: The company has a policy of investing in both equities and debt instruments in the short-, medium-, and long-term.

Source of funds: The Bank

► KRUNGSRI CAPITAL SECURITIES PUBLIC COMPANY LIMITED

Type of services: Securities business, of which business profile are as follows:

Securities Brokerage Business: The company provides securities brokerage services of the securities listed in SET and the Market for Alternative Investment (mai) to retail clients, domestic and foreign institutional clients. The company provides securities brokerage services of the securities listed in the overseas stock exchanges or the securities that the SEC allows domestic investors to invest. The company provides high-quality services and research papers as well as experienced financial advisors (FA). Clients can place orders through FAs or by themselves through online trading applications.

Derivative Brokerage Business: The company provides all derivatives products in TFEX which consist of SET50 Index Futures, SET50 Index Options, Gold Futures, Mini Gold Futures, Gold D Futures, Gold Online Futures, Single Stock Futures, Interest Rate Futures, Sector Index Futures, USD Futures, RSS3 Futures, and Block Trade – Single Stock Futures.

Financial Advisory Business: The company has been granted an approval by the SEC to provide financial advisory services within the scope set by the SEC including the financial advisory in underwriting business, listing on SET and the mai, tender offer, merger and acquisition (M&A) as well as the financial advisory services to shareholders entering into various transactions of the listed companies.

Underwriting Business: The company provides underwriting and firm underwriting services to corporates who would like to issue both equities and fixed income securities such as common shares, debentures, warrants, unit trusts and etc. for sale to investors.

Fixed Income Trading Business: The company provides over the counter (OTC) for fixed income trading services in both primary and secondary market to retail clients and

domestic institutional clients. The company has internal guidelines for account opening as well as set up the credit limit to each client based on requirement and potential volume of transactions. The company shall hold some debt securities mostly in short term period (no longer than seven days) and the period shall be reviewed from time to time.

Securities Borrowing and Lending Business: The company provides Securities Borrowing and Lending Business (SBL) service to all types of clients including retail clients and institutional clients. The company acts as a principal to clients who are the 'borrowers' or 'lenders' in order to ensure them that all terms and conditions as stated in the SBL agreement will be followed accordingly.

Selling Agent Business: The company engages in selling agent services to majority of asset management companies (AMC) in Thailand, providing both omnibus account service and selling agent service.

The company has developed the Krungsri Capital iFund on mobile application, a full-service through online trading applications.

Source of funds: The Bank

KRUNGSRI ASSET MANAGEMENT

► KRUNGSRI ASSET MANAGEMENT COMPANY LIMITED

Type of service: A leading Thai asset management company licensed by the Office of the Securities and Exchange Commission, offering a comprehensive range of products and services, including mutual funds, private funds, provident funds, property funds, and investment management in futures contracts. The available mutual funds are diverse in terms of types of investments, such as stock funds, fixed-income funds, foreign investment funds (FIF), commodity index funds, property funds, and tax-saving funds (Super Savings Fund: SSF, Retirement Mutual Fund: RMF, and Thailand ESG Fund: Thai ESG). The company's investment mission is to generate sustainable returns. Thanks to highly experienced fund managers using precise, modern investment systems, investors can be confident that these funds will have the potential to generate consistent returns in line with the desired degree of risk. Products and services cater to the needs of each group of investors, including individuals, juristic persons, and institutions.

Source of funds: The company

KRUNGSRI FINNOVATE

► KRUNGSRI FINNOVATE COMPANY LIMITED

Type of service: In March 2017, the Bank established this wholly owned subsidiary operating a venture capital business under Bank of Thailand regulatory and investment guidelines for venture capital investment in: 1) SMEs; 2) financial technology startups; 3) private equity, trusts, or private equity related to financial technology; and 4) other businesses permitted now or in the future by the Bank of Thailand.

Source of funds: The Bank

KRUNGSRI SERVICES

► SIAM REALTY AND SERVICES SECURITY COMPANY LIMITED

Type of service: Provides human resource services and vehicle rentals to the Bank and its subsidiaries within the scope specified by the Bank of Thailand, operating in two key business areas: providing drivers, maids, messengers, security personnel, and other essential staff and providing rental cars.

Business operations including market and competition: Krungsri Services has no competitor in the market as the company only provides support services to the Bank, its sole shareholder. The company has also expanded its car rental service to the Bank's subsidiaries and has provided training on operating procedures for both service types in order to ensure service excellence for our customers. The company has also been certified as a member of Thailand's Private Sector Collective Action against Corruption (CAC). The company has public disclosure measures regarding information about employment of government officials to ensure transparency and accountability. The company has operated in accordance with the anti-bribery and corruption policy both at the corporate and business levels throughout the past.

Source of funds: The Bank

NGERN TID LOR PUBLIC COMPANY LIMITED

Type of service: Krungsri acquired a controlling stake in CFG Services Company Limited (now renamed Ngern Tid Lor Public Company Limited: TIDLOR) from AIG Group in 2009. It provides microfinance of vehicle title loan. In 2014, the company launched non-life insurance brokerage services to promote access to insurance coverage among the general

public. The company was renamed from CFG Services Company Limited to Ngern Tid Lor Company Limited in 2015. In 2019, Krungsri entered into a collaborative partnership with Siam Asia Credit Access PTE LTD to sell 50 percent of ordinary shares in Ngern Tid Lor Company Limited; this not only bolstered business growth and opportunities for Ngern Tid Lor Company Limited, but also further strengthened the company's competitive capabilities to stay at the forefront of the title loan industry. Ngern Tid Lor Company Limited changed the status to Ngern Tid Lor Public Company Limited on December 17, 2020 and traded on the Stock Exchange of Thailand on May 10, 2021 with the symbol of TIDLOR. TIDLOR's initial public offering of shares (IPO) is the largest IPO ever in the Finance and Securities Sector as well as one of the top five largest equity IPOs in the Thai equity capital market's history, with the total offering size of 38,089 million baht (including an overallotment option) and the market capitalization, at the IPO price, of 84,643 million baht, demonstrating its strong fundamental as the leading vehicle title loan provider and the leader of retail-focused insurance broker with rapid growth, driven by technological innovations and omnichannel distribution platform under the principle of creating fair and transparent financial opportunities for the people and encourage consumers to have insurance coverage.

Source of funds: The Bank and debentures of Ngern Tid Lor Public Company Limited

HATTHA BANK PLC. (HATTHA BANK)

In September 2016, the Bank acquired all the issued and registered shares (100 percent) of Hattha Kaksekar Limited (HKL), a leading microfinance institution in Cambodia. This served as Krungsri's concrete step forward to becoming an ASEAN financial powerhouse. The Bank's expertise in consumer banking and microfinance is shared to strengthen HKL's market-leading position through enhanced capabilities and resources. This HKL acquisition will enable the Bank to capture growth opportunities outside of Thailand.

With more than 25 years of success as a Microfinance Deposit Taking Institution (MDI), HKL upgraded its status as a commercial bank under the name of Hattha Bank Plc. (Hattha Bank) which was officially approved by the National Bank of Cambodia and the Ministry of Commerce on August 26, 2020.

Services: As a leading bank in Cambodia, Hattha Bank provides diversified financial services to individuals and SME businesses including retail and corporate customers through its 171 branches. Hattha Bank has introduced and improved many financial services such as the mobile banking service

(Hattha Mobile), QR code payment to Thailand, cross-border remittance, special account numbers, and waste disposal bill payment in addition to its exceptional current services such as loan, deposit, local money transfer, ATM, payroll, interbank transfer, overdraft loan, current account, cheque service, SME co-financing, and insurance referral service.

In 2023, Hattha Bank launched new products and services such as the VISA Debit Card, trade finance, bank guarantee, letter of credit, KHQR Payment, Smart Teller Machine, funds transfer from Thailand, and SWIFT transfer service.

Source of funds: Deposits and loans from financial institutions

HATTHA SERVICES CO., LTD.

Type of service: Supporting business in relation to property development for an operation of HKL and subsidiaries under the Bank's Financial Business Group only.

Source of funds: The company and loan from local bank

SB FINANCE, INC. (SBF)

In October 2020, the Bank acquired 50 percent of issued and paid shares in SB Finance, Inc. (SBF), listed on the Philippines Stock Exchange, Inc. (PSE) and a consumer finance subsidiary of Security Bank Corporation (SBC), one of the leading banks in the Philippines.

Type of service: SBF provides consumer financing services, including personal loan, Car4Cash loan (car refinance), motorcycle loan, and salary advance loan.

Source of funds: The company and loans from local financial institutions

SHBANK FINANCE COMPANY LIMITED (SHB FINANCE)

In May 2023, the Bank acquired SHB Finance by receiving the transfer of the first 50 percent of charter capital in SHB Finance, which is one of the key players in Vietnam's consumer finance market, from Saigon - Hanoi Commercial Joint Stock Bank (SHB); the transfer of the remaining 50 percent will be completed in the next three years, provided that both parties comply with the conditions and subject to approval from the relevant regulators.

Type of service: SHB Finance provides consumer financing services, including personal loan.

Source of funds: The company, local loans, deposits, certificates of deposit (CD), loans from local financial institutions, and Krungsri

HC CONSUMER FINANCE PHILIPPINES, INC. (HCPH)

In June 2023, the Bank acquired 75 percent of shares of HC Consumer Finance Philippines, Inc. (HCPH), a leading consumer finance company in the Philippines, while MUFG simultaneously acquired the remaining 25 percent of shares.

Type of service: HCPH provides consumer financing services, including point-of-sale (POS) loan, personal loan, digital personal revolving loan, and credit card.

Source of funds: The company and loans from local financial institutions, MUFG, and Krungsri

HCPH FINANCING 1, INC.

In June 2023, the Bank acquired a 100-percent stake in HCPH Financing 1, Inc., which is a supporting business of Home Credit Philippines.

Type of service: Asset management company

Source of funds: The company and loans from local financial institutions

HCPH INSURANCE BROKERAGE INC.

In June 2023, the Bank acquired a 100-percent stake in HCPH Insurance Brokerage Inc., which is a supporting business of Home Credit Philippines.

Type of service: Insurance brokerage

Source of funds: The company

PT. HOME CREDIT INDONESIA (HCID)

In October 2023, the Bank acquired 75 percent of shares of PT. Home Credit Indonesia (HCID), a leading player in the consumer finance business with a nationwide network in Indonesia, while PT Adira Dinamika Multi Finance, Tbk (Adira Finance), a subsidiary of Bank Danamon, a member of MUFG, concurrently completed the acquisition of a 9.83-percent stake of HCID.

Type of service: HCID provides consumer financing services, including point-of-sale (POS) loan, personal loan, and digital personal revolving loan.

Source of funds: The company and loans from local financial institutions, and MUFG

INCOME STRUCTURE OF THE BANK, SUBSIDIARIES, ASSOCIATE, AND JOINT VENTURES

For 2023 operating performance, the Bank, subsidiaries, associate, and joint ventures had interest income and non-interest income at a ratio of 74.39 percent and 25.61 percent, respectively. Interest on loans constituted the largest proportion representing 49.72 percent of total income. Details are as follows:

Income Structure	2023		2022		2021	
	Million baht	%	Million baht	%	Million baht	%
Interest Income						
Interest on loans	93,067	49.72	67,696	46.57	63,248	41.63
Interest on interbank and money market items	10,456	5.59	3,475	2.39	2,583	1.70
Hire purchase and financial lease income	33,731	18.02	32,748	22.53	32,530	21.41
Investments and trading transactions	39	0.02	9	0.01	25	0.02
Investments in debts securities	1,788	0.95	1,419	0.98	1,390	0.91
Other	170	0.09	81	0.05	28	0.02
Total Interest Income	139,251	74.39	105,428	72.53	99,804	65.69
Non-Interest Income						
Fees and service income	29,212	15.61	24,237	16.67	24,053	15.83
Gains on financial instruments measured at fair value through profit or loss, net	5,637	3.01	4,733	3.26	4,096	2.70
Gains (losses) on investments, net	-	-	(40)	(0.03)	10,925	7.19
Share of profit from investment using equity method	1,583	0.84	1,556	1.07	1,930	1.27
Dividend income	425	0.23	450	0.31	366	0.24
Bad debts recoveries	7,527	4.02	6,729	4.63	6,587	4.33
Other income	3,555	1.90	2,266	1.56	4,171	2.75
Total Non-Interest Income	47,939	25.61	39,931	27.47	52,128	34.31
Total Income	187,190	100.00	145,359	100.00	151,932	100.00

Income Structure	2023		2022		2021	
	Million baht	%	Million baht	%	Million baht	%
1. Bank of Ayudhya Public Company Limited ^{1/}						
Total Interest Income	95,054	77.28	72,309	74.06	68,850	64.03
Total Non-Interest Income	27,944	22.72	25,327	25.94	38,675	35.97
Total	122,998	100.00	97,636	100.00	107,525	100.00
2. Krungsri Ayudhya AMC Limited						
Total Interest Income	67	29.78	47	22.49	91	32.04
Total Non-Interest Income	158	70.22	162	77.51	193	67.96
Total	225	100.00	209	100.00	284	100.00
3. Ayudhya Development Leasing Company Limited						
Total Interest Income	184	74.19	184	61.13	234	82.11
Total Non-Interest Income	64	25.81	117	38.87	51	17.89
Total	248	100.00	301	100.00	285	100.00
4. Krungsri Nimble Company Limited						
Total Interest Income	1	0.26	-	-	-	-
Total Non-Interest Income	378	99.74	297	100.00	178	100.00
Total	379	100.00	297	100.00	178	100.00
5. Ayudhya Capital Auto Lease Public Company Limited						
Total Interest Income	4,860	48.80	5,494	57.78	5,715	55.32
Total Non-Interest Income	5,099	51.20	4,015	42.22	4,615	44.68
Total	9,959	100.00	9,509	100.00	10,330	100.00
6. Ayudhya Capital Services Company Limited						
Total Interest Income	10,583	65.51	10,869	67.86	11,265	63.62
Total Non-Interest Income	5,573	34.49	5,147	32.14	6,441	36.38
Total	16,156	100.00	16,016	100.00	17,706	100.00
7. General Card Services Limited						
Total Interest Income	2,756	54.79	2,503	55.10	2,299	54.79
Total Non-Interest Income	2,274	45.21	2,040	44.90	1,897	45.21
Total	5,030	100.00	4,543	100.00	4,196	100.00
8. Krungsri Ayudhya Card Company Limited						
Total Interest Income	5,138	54.83	4,983	56.72	4,869	55.87
Total Non-Interest Income	4,232	45.17	3,802	43.28	3,846	44.13
Total	9,370	100.00	8,785	100.00	8,715	100.00
9. Krungsri Securities Public Company Limited						
Total Interest Income	62	12.40	49	6.97	49	5.88
Total Non-Interest Income	438	87.60	654	93.03	785	94.12
Total	500	100.00	703	100.00	834	100.00
10. Siam Realty and Services Security Company Limited						
Total Interest Income	-	-	-	-	-	-
Total Non-Interest Income	599	100.00	594	100.00	621	100.00
Total	599	100.00	594	100.00	621	100.00
11. Krungsri Asset Management Company Limited						
Total Interest Income	36	1.00	22	0.59	8	0.17
Total Non-Interest Income	3,572	99.00	3,700	99.41	4,587	99.83
Total	3,608	100.00	3,722	100.00	4,595	100.00

Income Structure	2023		2022		2021	
	Million baht	%	Million baht	%	Million baht	%
12. Total Services Solutions Public Company Limited						
Total Interest Income	4	0.42	2	0.22	4	0.38
Total Non-Interest Income	949	99.58	921	99.78	1,050	99.62
Total	953	100.00	923	100.00	1,054	100.00
13. Ngern Tid Lor Public Company Limited ^{2/}						
Total Interest Income	15,563	79.89	12,537	79.50	9,834	78.23
Total Non-Interest Income	3,918	20.11	3,232	20.50	2,737	21.77
Total	19,481	100.00	15,769	100.00	12,571	100.00
14. Krungsri General Insurance Broker Limited ^{3/}						
Total Interest Income	3	0.39	1	0.24	-	-
Total Non-Interest Income	775	99.61	421	99.76	436	100.00
Total	778	100.00	422	100.00	436	100.00
15. Krungsri Genesis Company Limited ^{3/} (formerly Krungsri Life Assurance Broker Limited)						
Total Interest Income	4	100.00	1	0.27	1	0.26
Total Non-Interest Income	-	-	375	99.73	384	99.74
Total	4	100.00	376	100.00	385	100.00
16. Lotus's Money Services Limited ^{4/}						
Total Interest Income	2,289	55.44	2,228	55.05	2,262	53.26
Total Non-Interest Income	1,840	44.56	1,819	44.95	1,985	46.74
Total	4,129	100.00	4,047	100.00	4,247	100.00
17. Lotus's General Insurance Broker Limited ^{5/}						
Total Interest Income	12	1.90	5	0.83	3	0.50
Total Non-Interest Income	620	98.10	601	99.17	599	99.50
Total	632	100.00	606	100.00	602	100.00
18. Lotus's Life Assurance Broker Limited ^{5/}						
Total Interest Income	1	1.30	-	-	-	-
Total Non-Interest Income	76	98.70	71	100.00	59	100.00
Total	77	100.00	71	100.00	59	100.00
19. Krungsri Leasing Services Company Limited ^{6/}						
Total Interest Income	254	107.63	337	111.22	560	127.85
Total Non-Interest Income	(18)	(7.63)	(34)	(11.22)	(122)	(27.85)
Total	236	100.00	303	100.00	438	100.00
20. Hattha Bank Plc.						
Total Interest Income	8,760	95.87	9,495	96.80	6,840	95.97
Total Non-Interest Income	377	4.13	314	3.20	287	4.03
Total	9,137	100.00	9,809	100.00	7,127	100.00
21. Krungsri Finnovate Company Limited						
Total Interest Income	1	8.33	1	0.70	2	20.00
Total Non-Interest Income	11	91.67	142	99.30	8	80.00
Total	12	100.00	143	100.00	10	100.00
22. Hattha Services Company Limited ^{7/}						
Total Interest Income	1	100.00	1	100.00	1	100.00
Total Non-Interest Income	-	-	-	-	-	-
Total	1	100.00	1	100.00	1	100.00

Income Structure	2023		2022		2021	
	Million baht	%	Million baht	%	Million baht	%
23. Krungsri Non-Deposit Taking Microfinance Institution Company Limited ^{8/}						
Total Interest Income	28	87.50	28	87.50	24	96.00
Total Non-Interest Income	4	12.50	4	12.50	1	4.00
Total	32	100.00	32	100.00	25	100.00
24. SB Finance, Inc. ^{9/}						
Total Interest Income	2,083	88.49	1,531	86.79	1,099	89.13
Total Non-Interest Income	271	11.51	233	13.21	134	10.87
Total	2,354	100.00	1,764	100.00	1,233	100.00
25. Krungsri Capital Securities Public Company Limited ^{10/}						
Total Interest Income	438	43.11	-	-	-	-
Total Non-Interest Income	578	56.89	-	-	-	-
Total	1,016	100.00	-	-	-	-
26. SHBank Finance Company Limited ^{10/, 11/}						
Total Interest Income	2,648	84.38	-	-	-	-
Total Non-Interest Income	490	15.62	-	-	-	-
Total	3,138	100.00	-	-	-	-
27. HC Consumer Finance Philippines, Inc. ^{10/}						
Total Interest Income	7,615	78.74	-	-	-	-
Total Non-Interest Income	2,056	21.26	-	-	-	-
Total	9,671	100.00	-	-	-	-
28. HCPH Financing 1, Inc. ^{10/}						
Total Interest Income	2	40.00	-	-	-	-
Total Non-Interest Income	3	60.00	-	-	-	-
Total	5	100.00	-	-	-	-
29. HCPH Insurance Brokerage, Inc. ^{10/, 12/}						
Total Interest Income	-	-	-	-	-	-
Total Non-Interest Income	-	-	-	-	-	-
Total	-	-	-	-	-	-
30. PT Home Credit Indonesia ^{10/, 13/}						
Total Interest Income	798	47.33	-	-	-	-
Total Non-Interest Income	888	52.67	-	-	-	-
Total	1,686	100.00	-	-	-	-

Remarks: Based on 2023 unaudited financial statements of subsidiaries, associate, and joint ventures

^{1/} The Bank's statement of profit or loss and other comprehensive income.

^{2/} Direct holding by the Bank of 30 percent.

^{3/} Indirect holding via Ayudhya Capital Services Company Limited of 100 percent.

^{4/} Indirect holding via Ayudhya Capital Services Company Limited of 50 percent.

^{5/} Indirect holding via Lotus's Money Services Limited of 100 percent.

^{6/} Indirect holding via Ayudhya Capital Auto Lease Public Company Limited of 75 percent and Ayudhya Capital Services Company Limited of 25 percent.

^{7/} Indirect holding via Hattha Bank Public Company Limited of 49 percent and the voting power held by the Bank of 100 percent.

^{8/} Indirect holding via Krungsri Leasing Services Company Limited of 99.99 percent.

^{9/} Direct holding by the Bank of 50 percent.

^{10/} Subsidiaries acquired in 2023.

^{11/} Direct holding by the Bank of 50 percent the Bank has power to participate in management and control, therefore it was classified as a subsidiary of the Bank.

^{12/} The financial information is immaterial.

^{13/} The Bank has voting right of 75 percent of the total issued and paid up share capital and has ownership interest of 88.38 percent.

SHAREHOLDING STRUCTURE

As of the latest record date on September 7, 2023. The list of the shareholders holding the ordinary shares over 0.5 percent of the total shares (7,355,761,773 issued and paid-up ordinary shares at the par value of 10 baht per share) is as follows:

Item	Shareholder Name	Number of Shares	% of Total Shares
1.	MUFG BANK, LTD.	5,655,332,146	76.88
2.	Stronghold Assets Company Limited	166,536,980	2.26
3.	The Great Luck Equity Company Limited	166,478,940	2.26
4.	GL Asset Company Limited	166,414,640	2.26
5.	BBTV Satelvision Company Limited	166,151,114	2.26
6.	BBTV Asset Management Company Limited	163,112,900	2.22
7.	Bangkok Broadcasting & T.V. Company Limited	160,789,220	2.19
8.	Mahakij Holdings Company Limited	158,726,810	2.16
9.	Tun Rung Rueng Company Limited	157,889,440	2.15
10.	Super Assets Company Limited	51,421,714	0.70
11.	C.K.R Company Limited	48,528,834	0.66
	Other Shareholders	294,379,035	4.00
	TOTAL	7,355,761,773	100.00

Remark: During the year, the investors can access the up-to-date information at www.krungsri.com under the heading About Krungsri > About Us > Company Overview > Shareholder Structure

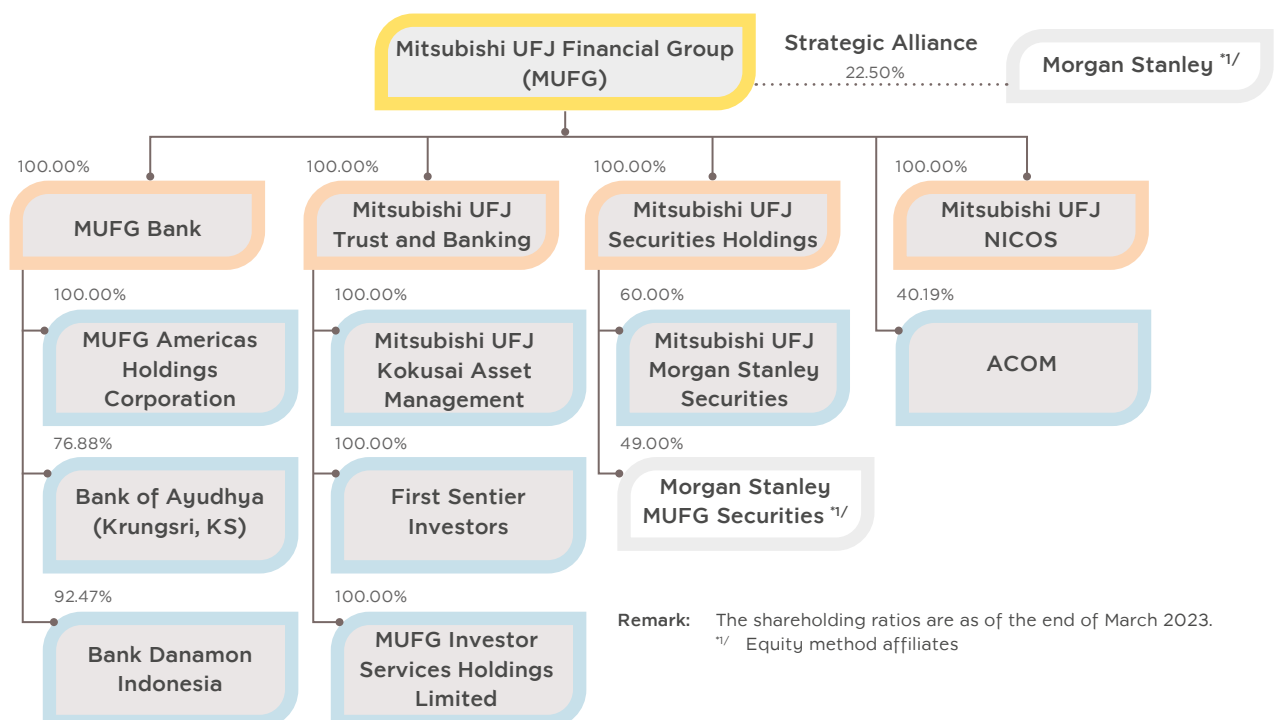
Krungsri Obligations on Share Issuance in the Future: -None-

RELATIONSHIP WITH THE MAJOR SHAREHOLDERS

On July 2, 2013, MUFG Bank announced that it had signed a Share Tender Agreement with GE Capital International Holdings Corporation (GECIH) to purchase Krungsri's ordinary shares held by GECIH. Under the agreement, MUFG Bank was required to launch a Voluntary Tender Offer (VTO) for Krungsri's all ordinary shares, and GECIH would then tender its entire shareholding, representing 25.33 percent of all issued shares, to MUFG Bank. Following the above, in September 2013, Krungsri entered into a Branch Purchase Agreement with MUFG Bank in which Krungsri would accept the transfer of the business of MUFG Bank, Bangkok Branch and integrate Krungsri and MUFG Bank, Bangkok Branch within a year after completion of the VTO. In late December 2013, after the successful completion of the VTO, MUFG Bank replaced GECIH as the strategic shareholder of Krungsri. As of December 31, 2023, MUFG Bank holds 76.88 percent of all issued shares.

These developments have leveraged the strengths of both Krungsri and MUFG Bank to establish a unique position for Krungsri in the Thai banking industry. MUFG Bank is a world-class financial institution with a business network covering around 50 countries worldwide. The partnership strengthens Krungsri's leading position in the retail banking business in Thailand and across the region by providing access to a larger customer base. It also significantly enhances the scale and diversity of Krungsri's corporate and SME banking businesses, particularly with Japanese enterprises in Thailand and across ASEAN.

Remark: The Bank's name at that time was The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU). BTMU changed its name to MUFG Bank, Ltd. on April 1, 2018.



THE BANK'S SECURITIES

Number of Registered and Paid-up Capital as of December 31, 2023

Registered capital:	Number of shares:	7,574,143,747
	Par value:	10 baht
	Total:	75,741,437,470 baht
Paid-up capital:	Number of shares:	7,355,761,773
	Par value:	10 baht
	Total:	73,557,617,730 baht

Debt Instruments or Convertible Securities

(Unit: Million baht)					
Type of Debentures	Interest Rates (per annum)	Maturity Date	Conditions	Issue Amount	Unredeemed amount and value as of December 31, 2023
Long Term Bonds (Non-Collaterals)					
1. Subordinated Instrument No. 1/2019 (BAY296A) Issue date: June 14, 2019 Debenture rating (Fitch): AA+ Agent: None Objective *	3.80%	June 14, 2029 (10 years)	-	18,825.70	18,825.70
2. Subordinated Instrument No. 1/2021 (BAY31NA) Issue date: November 5, 2021 Debenture rating (Fitch): AAA Agent: None Objective *	3.00%	November 5, 2031 (10 years)	-	10,000.00	10,000.00
3. Subordinated Instrument No. 1/2022 (BAY327A) Issue date: July 27, 2022 Debenture rating (Fitch): AAA Agent: None Objective *	3.90%	July 27, 2032 (10 years)	-	15,460.00	15,460.00
4. Subordinated Instrument No. 2/2022 (BAY32NA) Issue date: November 17, 2022 Debenture rating (Fitch): AAA Agent: None Objective *	4.30%	November 17, 2032 (10 years)	-	16,540.00	16,540.00
5. Debenture No. 1/2023 Series 1 (BAY253A) Issue date: March 30, 2023 Debenture rating (Fitch): AAA Agent: None Objective **	2.28%	March 30, 2025 (2 years)	-	3,000.00	3,000.00
6. Debenture No. 1/2023 Series 2 (BAY263A) Issue date: March 30, 2023 Debenture rating (Fitch): AAA Agent: None Objective **	2.51%	March 30, 2026 (3 years)	-	2,000.00	2,000.00
7. Debenture No. 2/2023 Series 1 (BAY259A) Issue date: September 26, 2023 Debenture rating (Fitch): AAA Agent: None Objective **	3.03%	September 26, 2025 (2 years)	-	4,000.00	4,000.00

(Unit: Million baht)

Type of Debentures	Interest Rates (per annum)	Maturity Date	Conditions	Issue Amount	Unredeemed amount and value as of December 31, 2023
8. Debenture No. 2/2023 Series 2 (BAY263B) Issue date: September 26, 2023 Debenture rating (Fitch): AAA Agent: None Objective **	3.11%	March 26, 2026 (2 years and 6 months)	-	6,000.00	6,000.00

(Unit: Million USD)

Type of Debentures	Interest Rates (per annum)	Maturity Date	Conditions	Issue Amount	Unredeemed amount and value as of December 31, 2023
Other Debt Instruments (Non-Collaterals)					
1. Debentures of the Women Bonds (BAY2610AFIFL) Issue date: October 16, 2019 Debenture rating: - Agent: None Objective ***	2.993% - 3.643%	October 16, 2026 (7 years)	-	150.00	150.00
2. Debentures of the Women Bonds (BAY2610ANFFL) Issue date: October 16, 2019 Debenture rating: - Agent: None Objective ***	2.993% - 3.643%	October 16, 2026 (7 years)	-	70.00	70.00
3. Debentures of the Green and Blue Bond (BAY3006AFIFL) Issue date: June 15, 2023 Debenture rating: - Agent: None Objective ***	1.230% - 6.900%	June 15, 2030 (7 years)	-	40.00	40.00

Remarks:

- Thailand Securities Depository Co., Ltd. is the Registrar for the Bank's ordinary share.
- Securities Services Operations Department is the Registrar for the Bank's Debenture.
- Objective *: The issuer of capital instruments aims to use the proceeds from capital instrument issuing and offering for its business operations and capital management.
- Objective **: For debt repayment and/or the Bank's business operations.
- Objective ***: To make eligible sub-loans to eligible sub-borrowers either for the purposes of financing or re-financing eligible sub-projects.

Debentures redeemed during 2023

(Unit: Million baht)

Type of Debentures	Amount	Issue Date	Maturity Date
Long Term Bonds (Non-Collaterals)			
1. Debenture No. 1/2020 Series 2 (BAY233A)	4,100.00	March 27, 2020	March 27, 2023

The Bank obligations on share issuance in the future

-None-

DIVIDEND PAYOUT POLICY

1. The Bank's Dividend Payout Policy

The Bank will determine dividend payment by taking into consideration capital adequacy as the first priority and other factors including the actual operating results, returns to shareholders, and regulatory requirements (with additional conditions).

The dividend payment shall be in compliance with Article 41 of the Bank's Articles of Association, which states the dividends shall not be paid from other sources than profits. The company shall allocate as reserves a portion of its net annual profit not less than the proportion specified by law. The profit remaining thereafter may be allocated as reserves of various kinds, as the Board of Directors may deem proper, and after approval by the shareholders at the Annual General Meeting. The Bank may occasionally pay shareholders interim dividends if the Board of Directors considers it appropriate given the Bank's profitability levels. The payment of interim dividends shall be reported to the shareholders at the next general meeting of shareholders.

Dividends shall be paid within the period prescribed by law, beginning from the date that the dividend resolution is passed by the general meeting of shareholders or by the Board of Directors. A written notice shall also be sent to shareholders, and dividend payment announcements shall be published in a newspaper.

The Bank's dividend payments are subject to regulatory requirements including notifications of the Bank of Thailand.

2. Subsidiaries' Dividend Payout Policy

Dividend payments by the Bank's subsidiaries must be approved by a resolution of the company's shareholders at a general meeting of shareholders, and must be in compliance with relevant rules and regulations. The subsidiaries may occasionally pay shareholders interim dividends if their Board of Directors considers it appropriate given profitability levels. In each dividend payment, the company must allocate its net profits as legal reserves or other reserves as appropriate for business operations.

INVESTMENT IN OTHER COMPANIES

Name	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Shares	
1. Hattha Bank Plc.	Commercial Bank	Ordinary	140,000,000	100.00
2. Krungsri Ayudhya AMC Ltd.	Asset Management	Ordinary	270,000,003	100.00
3. Krungsri Nimble Co., Ltd.	Information Technology Services	Ordinary	30,000,000	100.00
4. Ayudhya Development Leasing Co., Ltd.	Finance (Leasing & Hire-Purchase)	Ordinary	123,499,999	99.99
5. Ayudhya Capital Auto Lease PCL.	Finance (Auto Financing)	Ordinary	2,554,500,000	100.00
6. Ayudhya Capital Services Co., Ltd.	Finance (Credit Card & Personal Loan)	Ordinary	59,250,000	100.00
7. General Card Services Limited	Finance (Credit Card & Personal Loan)	Ordinary	345,800,000	100.00
8. Krungsriayudhya Card Co., Ltd.	Finance (Credit Card & Personal Loan)	Ordinary	590,552,000	100.00
9. Krungsri Genesis Co., Ltd.	Personal Loans	Ordinary	2,950,000	100.00
10. Krungsri General Insurance Broker Limited	Finance (Non-life Insurance Broker)	Ordinary	2,020,000	100.00
11. Total Services Solutions PCL.	Service (Collection)	Ordinary	160,599,822	100.00
12. Siam Realty and Services Security Co., Ltd.	Service	Ordinary	1,000,000	100.00
13. Krungsri Finnovate Co., Ltd.	Finance (Venture Capital)	Ordinary	250,000,000	100.00
14. Krungsri Securities PCL.	Finance (Securities)	Ordinary	135,000,000	99.84
15. Krungsri Asset Management Co., Ltd.	Finance (Asset Management)	Ordinary	3,500,000	86.86
16. HC Consumer Finance Philippines, Inc.	Personal Loans and Credit Cards	Ordinary	1,000,000	75.00
		Preferred	75,250,005	75.00
17. HCPH Financing 1, Inc.	Asset Management	Ordinary	400,000	100.00
18. HCPH Insurance Brokerage, Inc.	General Insurance Broker	Ordinary	750,001	100.00
19. Krungsri Capital Securities PCL.	Finance (Securities)	Ordinary	2,150,469,000	99.35
20. SHBank Finance Company Limited	Personal Loans	Charter Capital	-	50.00
21. PT Home Credit Indonesia	Personal Loans	Preferred	600	75.00
22. Krungsri Leasing Services Co., Ltd.	Finance (Leasing/Hire purchase/ Sales Finance)	Ordinary	10,175,111	100.00
23. Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd.	Microfinance Institution that does not accept deposit taking	Ordinary	360,000	99.99
24. Ngern Tid Lor PCL.	Finance (Auto Financing)	Ordinary	2,809,480,305	30.00
25. Lotus's Money Services Limited	Finance (Credit Card & Personal Loan)	Ordinary	20,800,000	50.00
26. Lotus's Life Assurance Broker Limited	Finance (Life Insurance Broker)	Ordinary	120,000	50.00

Name	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Shares	
27. Lotus's General Insurance Broker Limited	Finance (Non-life Insurance Broker)	Ordinary	1,070,000	50.00
28. Hattha Services Co., Ltd.	Lease Real Estate	Ordinary	1,000	49.00
29. SB Finance, Inc.	Finance (Consumer Finance)	Ordinary	40,000,000	50.00

COMPANIES THAT THE BANK HOLDS SHARES OF 10% BUT LESS THAN 20%

Name	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Shares	
1. P.P. Parawood Co., Ltd.	Furniture Manufacturer	Ordinary	95,000	10.00
2. Rent Trade and Service Co., Ltd.	Import and Distributors (Construction Machinery)	Ordinary	1,500,000	10.00

COMPANIES ACQUIRED THROUGH DEBT RESTRUCTURING PROCESS

Name	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Shares	
1. Lenso Phonecard Co., Ltd.	International Line Public Phone Card	Ordinary	62,423,190	10.00
2. UMC Metals Limited	Manufacturing and Trading (Steel Rod)	Ordinary	95,000,000	10.00
		Preferred	50,000,000	

ARRANGEMENT OF PRODUCTS AND SERVICES

SOURCE OF FUNDS

Krungsri provides deposit services to general public whereby it is the most important source of funds for Krungsri. As at December 31, 2023, Krungsri had a deposit balance of 1,839,601 million baht or 66.4%, interbank and money market items of 11.7%, debt issued and borrowings of 3.8%, shareholders equity of 13.4% and other sources of funds of 4.7%. Krungsri provides the following 2 types of the deposit services: non-interest bearing deposit i.e. current deposit and interest bearing deposit i.e. savings deposit and time deposit.

CAPITAL MAINTENANCE ABILITY

Krungsri maintains the internal capital adequacy assessment process in accordance with the supervisory review process of the Bank of Thailand and monitors on a regular basis to ensure that the current and future capital requirements are aligned with the risk appetite of Krungsri.

Krungsri maintains its capital funds in accordance with the criteria, methodologies and conditions prescribed by the Bank of Thailand which is in line with the Basel III. As at December 31, 2023, Krungsri's capital fund and capital adequacy ratio are as follows:

(Unit: Million baht)

	Consolidated Supervision	The Bank
Total Common Equity Tier 1 capital	311,678	229,727
Total Tier 1 capital	314,522	229,727
Total capital fund	396,848	309,115

(Unit: Percent)

	BoT regulatory Minimum requirement	Consolidated Supervision	The Bank
Total Common Equity Tier 1 capital/Total risk weighted assets	8.00	15.97	13.56
Total Tier 1 capital/Total risk weighted assets	9.50	16.12	13.56
Total capital/Total risk weighted assets	12.00	20.34	18.24

OPERATING ASSETS

MAIN FIXED ASSETS FOR BUSINESS OPERATIONS

► PREMISES AND EQUIPMENT

As at December 31, 2023 and 2022, the net premises and equipment are as follows:

(Unit: Million baht)

Consolidated	2023	2022
Land		
Cost	5,189	5,269
Appraisal Increase	10,407	9,236
Premises		
Cost	16,756	16,060
Appraisal Increase	23,598	15,584
Equipment	17,992	15,729
Leasehold Improvement	3,691	3,496
Others	1,084	546
Total	78,717	65,920
Less Accumulated Depreciation	(42,362)	(34,841)
Allowance for Impairment	(27)	(75)
Net Premises and Equipment	36,328	31,004

Remark: As at December 31, 2023 and 2022, right-of-use assets are included in the premises and equipment at cost amounting to 5,241 million baht and 4,369 million baht, respectively.

► LEASE LIABILITIES

Lease liabilities as at December 31, 2023 and 2022 are as follows:

(Unit: Million baht)

Consolidated	2023	2022
Within one year	1,124	786
One year to five years	1,973	782
Over five years	365	440
Total	3,462	2,008

► LOANS TO CUSTOMERS AND INVESTMENTS

The important assets of Krungsri utilized for operating its business are loans to customers and investments. The asset management of Krungsri is as follows:

Loans to Customers

Assets Classification and Allowance for Expected Credit Loss

Krungsri has complied with the Bank of Thailand's guideline requiring Krungsri to classify its assets and set aside the

allowance for expected credit loss according to the instructions prescribed for each debt classification. This is in pursuant to the Bank of Thailand's Notification Sor.Nor.Sor 23/2561 Re: Regulations on Assets Classification and Provisioning of Financial Institutions dated October 31, 2018 which is effective from January 1, 2020, and the other related BOT's notifications.

The assets classification of loans to customers and accrued interest receivables of Krungsri and its subsidiaries as at December 31, 2023 and 2022 is presented below:

(Unit: Million baht)

Consolidated	2023		2022	
	Amount	%	Amount	%
Loans to customers and accrued interest receivables measured at amortized cost				
Stage 1 Performing	1,783,110	88.51	1,743,186	88.88
Stage 2 Under-performing	166,132	8.25	161,442	8.23
Stage 3 Non-performing	65,212	3.24	56,714	2.89
Purchased or originated credit-impaired	71	0.00	-	-
Total	2,014,525	100.00	1,961,342	100.00

Remark: Excluded interbank and money market items

(Unit: Million baht)

Consolidated	2023	
	Amount	%
Loans to customers and accrued interest receivables measured at FVOCI		
Stage 1 Performing	16,031	92.96
Stage 2 Under-performing	479	2.78
Stage 3 Non-performing	721	4.18
Purchased or originated credit-impaired	14	0.08
Total	17,245	100.00

Remark: Excluded interbank and money market items
FVOCI: Fair value through other comprehensive income

Criteria for Classification and Set Up Allowance for Expected Credit Loss

Krungsri and its subsidiaries recognise a loss allowance for expected credit loss (ECL) on financial assets measured at amortised cost or measured at fair value through other comprehensive income. No impairment loss is recognised on equity instruments measured at fair value through other comprehensive income.

With the exception of purchased or originated credit-impaired financial assets, which are considered separately below, ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, that results from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- Lifetime ECL, that results from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows under the contract and the cash flows that Krungsri and its subsidiaries expect to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate. The ECL is adjusted with a management overlay where considered appropriate.

For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows if the holder of the commitment draws down the loan and the cash flows that the Krungsri and its subsidiaries expect to receive if the loan is drawn down.

For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Krungsri and its subsidiaries expect to receive from the holder, the debtor or any other party.

Krungsri and its subsidiaries measure ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's

expected cash flows using the asset's Original Effective Interest Rate, regardless of whether it is measured on an individual basis or a collective basis.

In subsequent reporting period, if the credit quality of the financial assets and financial commitments improve so that there is no longer a significant increase in credit risk since initial recognition, then a loss allowance can be recognised based on 12-month ECL. The changes in the reversal of loss allowance are recognised in profit or loss as an impairment gain or loss.

Krungsri and its subsidiaries also set up the allowance for expected credit loss in compliance with the Bank of Thailand's guidelines. As at December 31, 2023, Krungsri set up provision of 91,680 million baht for the consolidated financial statements. Such allowance for expected credit loss consisted of the allowance for expected credit loss for loans to customers and accrued interest receivables, interbank and money market items and loan commitments and financial guarantee contracts.

Non-Performing Loan Management

Non-performing loans to total loans of Krungsri and its subsidiaries as at December 31, 2023 and 2022 are as follows:

(Unit: Million baht)		
	2023	2022
Non-performing loans	61,481	53,875
Percentage of total loans	2.53	2.32

Remark: Total loans are loans to customers and loans to financial institutions

Investment in Securities

Krungsri invests in various types of securities namely government bonds, Bank of Thailand bonds, state-owned enterprise bonds guaranteed and non-guaranteed by the Ministry of Finance, and private-sector securities. Krungsri ensures effective management of securities investment, i.e. high benefits with acceptable risks, no impact on liquidity, and under the investment policy which determines investment framework e.g. type of securities to be invested, investment limit, risk control, etc.

1) Investment in Government Bonds, Bank of Thailand Bonds, State-owned Enterprise Bonds guaranteed and non-guaranteed by the Ministry of Finance, and Risk Management

Government bonds, Bank of Thailand bonds, state-owned enterprise bonds guaranteed by the Ministry of Finance are highly secured and liquid. The main objectives of

investment are for liquidity management, to preserve as liquid assets in compliance with the Bank of Thailand's requirements, and to facilitate transactions made with the Bank of Thailand and other financial institutions/counterparties in the private sector.

Krungsri has risk management policy regarding the investment portfolio in debt instruments. In implementing this policy, Krungsri diversifies investments into government bonds, Bank of Thailand bonds, and state-owned enterprise bonds guaranteed and non-guaranteed by the Ministry of Finance, in several issues and maturity dates. Interest rate risk is measured by PV01 while portfolio duration is adjusted according to the interest rate condition. Portfolio will be marked to market daily, and report is submitted to senior executives on a monthly basis. In addition, Krungsri has a system presenting the daily duration of the total investment portfolio and also monitors the interest rates closely on the daily basis in order to appropriately adjust investment portfolio. Krungsri rebalances investment portfolio from time to time in the viewpoint of interest rate risk management by considering the yield curve movement and interest rate outlook. Moreover, investment in state-owned enterprise bonds, non-guaranteed by the Ministry of Finance shall be within the investment limit and period approved for each juristic person.

2) Investment in Private-Sector Securities and Risk Management

The main objective of investment in private-sector securities is to gain expected yields, focusing low-to-medium risk securities. The investment portfolio is managed to accord the liquidity management of Krungsri, focusing on medium-term and long-term investment in securities of sound basic factors.

3) Setting up of Allowance for Expected Credit Loss of Securities Investment

Krungsri is to set up an allowance for expected credit loss of investment in securities in compliance with the Thai Financial Reporting Standards No. 9 on 'Financial Instruments'.

Investment in Subsidiaries and Joint Ventures

To be a leading regional financial institution with global reach, Krungsri has taken responsibility for meeting the ever-changing needs of our broad customer base by offering a comprehensive range of universal banking products and services to key target groups: Commercial Banking (Thai, Japanese, multi-national corporations and SMEs) and retail customers. With that, we make it a rule to invest in companies that provide related financial services, including wealth management, credit cards, non-life insurance, asset management, securities trading, auto hire purchase, equipment leasing, factoring, microfinance and installment loans.

From the regional strategy perspective, we continuously seek opportunities to invest in the ASEAN region, especially CLMV (Cambodia, Lao PDR, Myanmar, and Vietnam) plus the Philippines and Indonesia, in alignment with our aspiration to seek organic or inorganic growth in those countries and become an ASEAN financial powerhouse.

In terms of management, we have put regulatory mechanisms in place for supervising operations across Krungsri Group in order to maintain its best-in-class standards of corporate governance. In addition, we have assigned subsidiaries' directors and executives to supervise business operations, plans, and annual budgets, and to provide important information to Krungsri for approval before taking action.

RISK FACTORS AND RISK MANAGEMENT

The Risk Management Group plays a vital role in Krungsri Group by sustaining competitive capabilities in an ever-changing business environment with its regulatory requirements, economic trends, and disruptive technologies. Risk management mechanisms allow us to maintain a sound risk appetite. Also, under the supervision of our risk management function, an extensive and well-defined risk management system has been adopted through our risk management structure, risk policies, and risk appetite framework.

The Risk Management Group has continuously developed and adapted MUFG policies and procedures to improve our capabilities in identifying, assessing, mitigating, and monitoring risks within an acceptable risk appetite. Collaboration across all business functions has led to more efficient risk management processes. The Bank has established risk management and control with the Three Lines Model, segregating roles and responsibilities as well as accountability for decision-making to achieve robust governance and risk management.

- First Line: Frontline teams responsible for day-to-day operations to ensure that the risk and control environments are safeguarded;
- Second Line: The Risk Management Group with oversight, monitoring, and control of risk procedures; and
- Third Line: An internal audit function providing strengthened independent assurance by assessing policies and procedures to ensure effective implementation.

An integrated approach is used to manage four main types of risk: credit, markets, liquidity, and operations.

RISK MANAGEMENT STRUCTURE

The Risk Management Group is authorized to formulate risk management policies and procedures appropriate for each type of risk, developed in accordance with our defined risk appetite, endorsed by the Risk Management Committee, and approved by the Board of Directors (the Board). The group is also responsible for monitoring and reporting portfolio quality, highlighting key risks, and developing strategies to manage potential portfolio and account risks for the Board and relevant committees. The authority and responsibilities of those involved in managing risk are allocated to seven parties:

▶ BOARD OF DIRECTORS

The Board defines our risk appetite and delegates approval authority for loan applications corresponding with credit risk types, risk amounts, and credit risk ratings, to the Credit Committee through the Executive Committee.

▶ CREDIT COMMITTEE

The Credit Committee comprises senior executives from the Risk Management Group and the Credit Underwriting Group, as well as senior executives from relevant functions including business functions. The Credit Committee's primary responsibilities are:

- Approving credit requests and relevant operations relating to credit; and
- Approving credit regarding NPL/NPA/TDR.

▶ RISK MANAGEMENT COMMITTEE

Primary responsibilities:

- Approving and recommending to the Board integrated risk management policies and procedures for Krungsri Group;
- Reviewing Krungsri Group portfolio quality;
- Reviewing key market and operational risks, operational losses (such as fraud), as well as related systems and human errors; and
- Ensuring that Krungsri risk management methodologies are followed.

▶ CREDIT PORTFOLIO SUBCOMMITTEE

The subcommittee's primary responsibility is to ensure sound portfolio management in accordance with Krungsri's policies and procedures by:

- Monitoring our portfolio credit concentration, risk trends, and policies for handling specific industries;
- Considering credit policies for specific companies to avoid credit concentration; and
- Considering the management and operation of country risks.



► NPL/NPA/TDR SUBCOMMITTEE

Primary responsibilities:

- Establishing and reviewing policies, regulations, guidelines, and methods to improve NPL/NPA/TDR;
- Considering and approving credit requests, guidelines, and methods employed regarding NPL/NPA/TDR;
- Supervising and continually monitoring progress of these cases to speed up debt restructuring and prevent debt quality deterioration; and
- Approving principles for price determination as well as bid pricing and participation in collateral auctions for legal execution or asset sales.

► COLLATERAL VALUATION SUBCOMMITTEE

Primary responsibilities:

- Establishing and reviewing policies and procedures for collateral valuation for loan or credit extension and valuation of foreclosed assets obtained from debt payment or auction as well as the respective asset revaluation guideline;
- Selecting and approving contracts made with independent appraisers;

- Overseeing and making a plan on work procedures of in-house appraisers to ensure that they act with integrity and accuracy in compliance with Krungsri's and the Bank of Thailand's policies, procedures and regulations;
- Considering and approving the results of appraisals carried out by both in-house and independent appraisers.

► CAPITAL MANAGEMENT SUBCOMMITTEE

Primary responsibilities:

- Supervising capital management and ensuring alignment with applicable regulations, as well as capital management that corresponds to the Bank's risk appetite and capital demand;
- Supervising, reviewing, and providing recommendations for stress testing used as a tool for risk management; and
- Reviewing and approving capital allocation and assessing capital demand while adhering to the business plan and risk levels in both normal and crisis situations, and considering capital contingency plans whenever the Bank's capital changes significantly.

KEY RISK FACTORS AND OUR MANAGEMENT

ENTERPRISE-WIDE RISK MANAGEMENT

To support sustainable growth and manage risk with an integrated perspective, we established the Enterprise-wide Risk Management Framework (ERM) to oversee and manage all types of risk that may arise from changes in internal or external environments. In this regard, the Internal Capital Adequacy Assessment Process (ICAAP) was integrated into this framework.

▶ ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK (ERM)

As regards the Enterprise-wide Risk Management Framework (ERM), tools are implemented to ensure that all material risks are identified, measured, and managed to remain within acceptable limits.

The **Risk Appetite Framework** is an overall risk governance framework including policies, procedures, controls, and systems through which risk appetite is established, communicated, and monitored. The framework is specified to ensure Krungsri Group has clear and appropriate guidelines to manage risks—corresponding to our risk capacity and business strategies.

The **Risk Map** is developed to identify potential risk events that could significantly impact Krungsri Group's business or risk profiles.

The **Heat Map** is implemented to measure and monitor the current status of each significant risk by utilizing the key risk indicators.

Top Risks refer to material risks identified through the Heat Map and/or Risk Map, as well as significant risks as per the opinions of management. Also, it is stipulated that such risks be managed under appropriate timeframes to prevent and mitigate the impact of such risks in a timely manner.

▶ THE INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS (ICAAP) INTEGRATION

In response to ICAAP regulatory requirements, we have integrated this process with our ERM framework, under which material risks can be dynamically identified considering the external and internal environment, our business plan, the complexity of the Bank's businesses, also considering Environmental, Social and Governance (ESG) into the Risk Assessment Process and considering the impact from climate change when conducting the BOT's Climate Risk Stress Test.

Risk appetite is established and managed to ensure that our capital position is within acceptable limits and meets regulatory requirements under normal and stressed conditions. Stress tests are conducted regularly and are overseen by the Capital Management Subcommittee, through which timely and effective action plans can be deployed.

▶ ORGANIZATION AND STRUCTURE

Enterprise-wide risk is managed under our enterprise-wide risk management policy approved by the Board of Directors. The policy stipulates the risk management structure, roles and responsibilities, reporting lines, and broad guidelines governing enterprise-wide risk. The Enterprise-wide Risk Management Division manages the ERM framework, including identifying and monitoring potential risks and Krungsri Group's consolidated status for all significant risks.

The Enterprise-wide Risk Management Division also collaborates with risk owners to capture emerging risks, assess risk levels, and establish risk mitigation and prevention plans. Risk status, including risk mitigation and prevention plans, is regularly reported to the Board through the Risk and Compliance Committee, the Executive Committee, and the Risk Management Committee.

▶ MATERIAL RISKS

Under the Enterprise-wide Risk Management Framework, the Bank has identified important risks—both mandatory regulatory risks and material risks arising from internal and external factors. We have established risk monitoring and control processes to ensure that such risks are effectively managed within acceptable limits, with the following important risks identified for 2023:

Material Risk	Risk Type
Pillar 1	Credit Risk
	Market Risk
	Operational Risk
Pillar 2	Credit Concentration Risk
	Interest Rate Risk in Banking Book
	Liquidity Risk
	Reputation Risk
	Strategic Risk
	IT Risk
	Compliance Risk
Other Material Risks	Fraud Risk
	Capital Adequacy Risk
	Model Risk

CREDIT RISK MANAGEMENT

Credit risk refers to the possibility of Krungsri facing a loss caused by a decline or complete loss of asset value (including off-balance assets), resulting from deterioration in a borrower's financial conditions and a subsequent failure to meet financial obligations, or an event of default. Such developments could negatively impact both capital and loan loss reserve adequacy.

An international-standard credit risk management structure has been embraced with the intent of maintaining a good balance between business interests and credit underwriting. The establishment of checks and balances between credit underwriters and relationship managers ensures a transparent work environment. These two stakeholders have a common purpose in promoting the quality of credit growth and maintaining existing loans effectively.

Within the aforementioned credit risk management framework, Krungsri developed an enhanced automation support system to meet its high standards. In addition, the Bank has established procedures and guidelines pertaining to credit risk management and frequently provides training to relevant staff to ensure that they are well-equipped with necessary knowledge and understanding in carrying out their duties while adhering to robust risk management guidelines.

Krungsri's strategy for managing credit risk is continuously determined according to our risk appetite. To identify clear goals for practitioners, the Bank establishes policies and operational plans as guidelines which are in accordance with our strategy including credit policy, credit risk management procedures, and credit rating policy. Customer risk is managed based on international standards and in conformity with the Bank of Thailand's rules and regulations.

Since 2021, the Bank has had 'Responsible Lending Guidelines' in place to address our concerns pertaining to environmental, social and governance (ESG) risks. Subsequently in 2023, the Board of Directors approved the first version of the Policy for Sustainability Lending with an aim to comprehensively manage ESG risk of the Bank. The policy clearly state characteristics of credit transactions and sectors which are prohibited in view of non-compensable ESG risks or which are restricted in view of material ESG risks. It is our strong intention to gradually phase out financing of coal-fired power plants by 2030. For consumer lending transaction, Krungsri defines credit underwriting criteria upon responsible lending to help reduce high household debt and criteria to support products that help reduced ESG risks. In year 2020-2023, the Bank established the debt relief policy followed by the sustainable debt relief policy to help customers impacted from the COVID-19 pandemic and economic slowdown situation.

From 2024 onwards, we will continue to offer debt relief plans based on the responsible frameworks for customers impacted from economic difficulties, natural disasters, and other challenges.

CREDIT RISK CONTROL

The objective of credit risk control is to avoid making unsound loans, whether from the outset or after disbursement. The credit risk management unit's responsibilities are divided between two teams, commercial and consumer, with these respective functions:

► COMMERCIAL CREDIT RISK MANAGEMENT

The Commercial Credit Risk Management Division manages borrower credit risk through our internal credit risk rating framework that is enhanced continuously to meet MUFG's high standards. We currently categorize business customers into two main groups based on their characteristics and size: Thai Global (large Thai companies with global trading transactions) and JPC/MNC as one group, and Thai Corporate and SME as the other. With such categorization, we can measure the probability of default (PD), loss given default (LGD), and exposure at default (EAD) more accurately and can better address the unique characteristics of customers of various sizes. The Bank assesses the credit quality of its Thai Global and JPC/MNC customers and assigns risk ratings based on an MUFG credit rating model, while using our own internally developed model for Thai Corporate and SME.

The internal credit rating models of both MUFG and the Bank are used to assign risk ratings for customers at origination or acquisition, are reassessed annually, and are adjusted for changes in credit quality over the life of the exposure through our credit review process. In assessing the risk rating of a loan or lending-related commitment, we consider factors that could potentially impact customer debt capacity including customer earnings and repayment sources, management's ability and financial performance as well as track record, and the industry and location of the customer. We acknowledge that each customer is different, and thus the sources of information used to evaluate debt repayment capacity must be tailored to each type of customer. Such evaluation and rating assignment would be based on financial statements, while also accounting for other quantitative and qualitative factors to reflect business capacity and growth potential, to ensure that our credit rating framework meets MUFG standards.

The Bank has collaborated with MUFG on enhancing its internal credit rating framework to include additional qualitative customer factors; for example, support from parent companies



is incorporated into risk adjustment procedures. Special types of customers are handled with special risk model forms. These special customers include government organizations, religious institutions, academic institutions, special-purpose companies (SPCs), and project finance.

Model development in compliance with International Financial Reporting Standards 9 (IFRS 9) is in place following the main principles and protocols of regulators, i.e. the Japanese Financial Services Agency (JFSA) and the Bank of Thailand. We have collaborated with MUFG to establish a new credit rating framework to better reflect the Bank's actual credit risks by leveraging MUFG's expertise and know-how. Continuous model validation and adjustment along with systems development and enhancement are in place to support credit risk control in an ever-changing environment, so that our risk management practices are of the highest international standards, in line with our goal of becoming a truly globalized bank.

► COUNTERPARTY CREDIT RISK MANAGEMENT

Counterparty credit risk is the risk arising from the possibility that the counterparty may default on amounts owed on a market-related transaction where the value of the contract in the future is uncertain, subject to the fluctuation of market risk factors such as interest rates, foreign exchange rates, and so forth. Krungsri's counterparties are normally customers that need to square their positions and minimize their risk exposure.

To determine each counterparty's credit risk limit, we use the same approval criteria as for other credit risks, and closely monitor counterparty credit status for aggregated exposure, credit equivalent amounts, and credit valuation adjustments—information that is regularly reported to senior management.

To mitigate risk arising from customer transactions, we may partially or fully hedge our risk exposure through offsetting agreements with other counterparties—mostly other banks. In addition, Krungsri has entered into an International Swaps and Derivatives Association (ISDA) agreement and Credit Support Annex (CSA), where cash collateral or highly liquid securities are required should the fair market value of any contract exceed the risk threshold.

► COUNTRY RISK MANAGEMENT

Country risk refers to the risk arising from uncertainties in economic, social, and political factors or other external conditions such as natural disasters and social or political unrest in countries where the Bank has granted credit, made investments, or undertaken contingent liabilities with residents, which may affect the level of risk or creditworthiness of business undertakings in those countries. Such factors may cause the Bank's debtors or counterparties to be unable to repay their debts or refuse to fulfill their contractual obligations, and may affect the financial status and operations of the Bank. Execution of transactions that incur country risk refers to the granting of credit, the making of investment, the creating of contingent liability, the undertaking of credit-like transactions, or the making of deposit placement with counterparties located in foreign countries.

For country risk management, a country limit has been established to ensure that exposure to each country is sufficiently controlled. The country limit is set in accordance with risk appetite, country grade, as well as sovereign rating and external credit rating agency ratings. These guidelines enable us to manage country and cross-border risk, including concentration risk, so that we may prudently expand our business to diverse countries abroad.

► CREDIT CONCENTRATION RISK MANAGEMENT

Krungsri has mitigated concentration risk from granting credit to, investing in, creating contingent liabilities for, or making credit-like transactions to a particular customer or industry, in order to avoid the likelihood of any single customer or industry generating heavy losses due to credit risk.

The Bank also manages concentrated credit risk by determining thresholds and limits for granting credit to, investing in, creating contingent liabilities for, or making credit-like transactions to large borrower groups and their related parties which are defined by regulators' conditions as a large borrower group.

Furthermore, a threshold limit has been established and adjusted for Krungsri credit risk arising from industry concentration, by controlling and monitoring the outstanding balance for each industry, which must not exceed a given industry's threshold limit.

► CREDIT INFORMATION MONITORING AND MANAGEMENT

We regularly report credit risk levels to the Board of Directors, relevant committees, and senior management. Our monthly credit portfolio report includes information on portfolio quality and segment trends by facility, rating, location, industry, and delinquency. In addition, ad hoc reports are occasionally conducted in response to irregular situations that may affect the Bank's credit portfolio.

► STRESS TESTING

The Risk Management Group conducts stress tests based on our stress test policy for both commercial and consumer portfolios. Stress tests use historical trends as well as future macroeconomic projections to determine potential losses and their possible impact on the Bank's capital. Regulator-required stress test results are reported to the Capital Management Subcommittee, the Risk Management Committee, the Risk and Compliance Committee, and the Board. Internal stress test results are conducted periodically and reported to the Capital Management Subcommittee. We have strategies and action plans in place to prevent any adverse effects. In addition, Krungsri's stress tests comply with the Bank of Thailand and Japanese Financial Services Agency (JFSA) requirements as well as MUFG global requirements.

► CONSUMER CREDIT RISK MANAGEMENT

Consumer portfolios are managed at the portfolio or homogeneous-pool level. The Consumer Credit Risk Management Division establishes product program criteria and proposals

for approval by the Bank's Board of Directors or delegated authorities such as the Risk and Compliance Committee and the Risk Management Committee. For effective risk control and consistency in credit decisions, the Bank leverages risk analytics, technology, and digitalization in the credit decision process. Credit applications are processed in a Loan Origination System (LOS), whereby credit approval decisions and line assignments are based mainly on online credit bureau report retrieval, together with utilization of statistically developed application score by the Bank's risk analytics function, and an automated credit criteria algorithm (Rules Engine), in accordance with approved credit criteria. Then, verification of credit application data and final credit decisions are conducted by credit underwriters. Where applicable, line enhancement is based on behavior score and risk grade.

Past-due account management is centralized and is performed by a separate unit which also leveraging system (Loan Collection System), rules engine, credit score, automation and digitalization process, monitoring and reporting, to manage past-due accounts.

The Consumer Credit Risk Management Division has adopted the risk management principles of 1) risk identification; 2) risk assessment; 3) risk monitoring and control; and 4) risk reporting in daily operation and management. Executives of the Bank received regular updates and reporting on portfolio performance as well as issues to consider and proposed corrective actions.

As part of digital lending transformation, the Bank pilot-tested alternative lending using an information-based approach for the Bank's retail portfolio. The concept will be extended and applicable to relevant partnership projects in order to enhance the Bank's competitive edge, grow its retail portfolio, and support lending transactions that help reduce carbon emissions, while maintaining risk control in line with the specified target.

The Bank has also developed models to comply with the Bank of Thailand's regulations and international standards. The Expected Credit Loss model for new International Financial Reporting Standards (IFRS 9) compliance has been utilized since 2020. The Basel Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) models have helped us to further strengthen our portfolio management and are a major step toward complying with the Advanced Internal Ratings-Based Approach (AIRB). The Consumer Credit Risk Management Division calculates credit loss and estimates expected credit loss for customer segments in each retail lending portfolio. The calculation and estimation of credit loss is an important factor for credit risk management so that the Bank can design competitive lending products that match target customer segments and credit quality.

Consumer Credit Risk Management Division have collaborated for the model development, implementation, monitoring, and adjustment (if necessary) of all retail credit models. In this regard, the model validation unit acts as a monitoring unit according to the principle of checks and balances. This is to ensure efficiency of the Bank's customized credit models and provide high-quality risk management.

CREDIT RISK MANAGEMENT AND REVIEW

We rigorously monitor and review customer and portfolio risk in the following ways:

► RESERVE ADEQUACY

Loan loss provisions are calculated based on IFRS 9 and TFRS 9 accounting standards and the requirements of the Bank of Thailand. Reserves are calculated by the Risk Management Group, while the adequacy of reserves is reviewed and approved by the Chief Risk Officer and the Chief Financial Officer. Additional provision (management overlay) is allocated to portfolios or customers for potential risk or other factors that could not be captured by the expected credit loss model or other factors deemed appropriate by the Bank with supporting reasons. In addition, the Bank regularly conducts stress tests to appropriately assess the provisions and thus ensure that reserves are adequate to support business operations.

► CREDIT RISK AUDIT

The Credit Examination Division is an independent central unit under the Internal Audit Group of the Bank that is responsible for examining and reviewing all credit risk management operations, with plans approved by the Audit Committee or delegated committee and acknowledged by the Board of Directors. The audit and review scopes cover overall credit risk management such as correctness of risk ratings, debt classification, loan reserve provision, compliance with credit covenants, and compliance with the Bank's credit policies, along with the relevant criteria of the Bank of Thailand.

► SUBSIDIARY MANAGEMENT

Our subsidiaries maintain independent risk organizations headed by senior risk executives. The Bank's Chief Risk Officer supervises subsidiary risk management activities. These subsidiary risk management units must comply with our overall risk management strategy, ensure sufficient capacity with the required risk-related infrastructure, and comply with our risk appetite objectives and reporting requirements.

► NON-PERFORMING LOAN MANAGEMENT

Non-performing loans (NPLs) are managed by a dedicated team of specialists experienced in handling past-due accounts. They manage all high-volume loans and determine the best approaches to optimize payment from customers so as to improve asset quality, minimize losses, and maximize recovery. They also conduct NPL sales based on guidance and approval from the Board of Directors.

MARKET RISK MANAGEMENT

Market risk refers to the risk of loss caused by price fluctuations in the trading and banking books related to interest rates, exchange rates, equity instruments, and commodities.

► MARKET RISK MANAGEMENT FRAMEWORK

The Bank places emphasis on market risk management under a robust risk management framework, monitors and mitigates market risk in an appropriate and timely manner within the risk appetite approved by the Board of Directors (the Board), and adjusts risk management systems to comply with all regulations and best practice standards stipulated by the Bank of Thailand (BOT) and other regulatory authorities. The market risk policies and limits are regularly reviewed to ensure that they are commensurate with the scope, volume, and complexity of transactions, and support prudent business expansion. The Bank also maintains sufficient capital for both normal and stressed business conditions.

Market risk management is overseen by the Risk and Compliance Committee (RCC), the Risk Management Committee (RMC), and the Asset and Liability Management Committee (ALCO). The Market Risk Management Division highlights and reports the potential market risk that the Bank may be exposed to, and provides strategic risk management options to the committee, while the Global Markets Group executes transactions and manages positions as well as providing strategic options for effective market risk management.

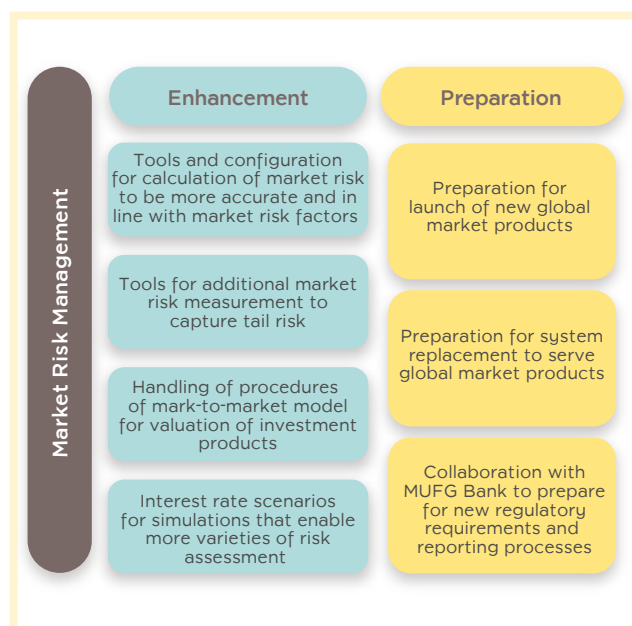
► MARKET RISK IN TRADING BOOK

A trading book consists of positions in financial instruments held for either trading or hedging other elements of the trading book. The Bank's trading activities are exposed to interest rate risk, foreign exchange risk, and equity price risk, all of which may affect income or shareholders' equity.



- **Enhancement of Market Risk Management Tools and Preparation in 2023**

The Bank enhanced market risk measurement in response to internal management, market volatility, and new requirements, through the development or modification of risk measurement tools for potential new products, and preparation for future implementation. In addition, as an MUFG strategic partner, the Bank is always fully supported by MUFG in terms of know-how and techniques regarding global risk management standards that help strengthen the Bank's market risk management framework.



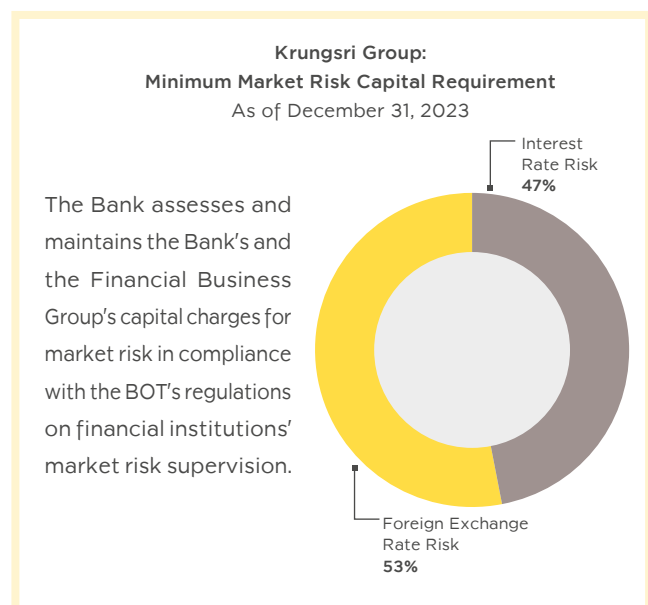
- **2023 Trading Book Transaction Risks**

The world still faced several risks throughout 2023, e.g., 1) Geopolitical risks, namely the Russia-Ukraine War, Israel-Hamas War, and China-Taiwan tensions; 2) Bankruptcy of banks in the US and Europe; 3) Downgrading of the US credit rating; 4) Debt and property crisis in China; 5) Continuation of tightening monetary policy, especially the Fed's rate hike, to keep inflation under control; and 6) Domestic factors, i.e., Thai political risk and concern over the government's flagship 'Digital Wallet' policy for economic stimulus. This multitude of risks affected the recovery of the world economy, including Thailand, and inevitably caused the financial market to be quite volatile. Under these circumstances, the Bank remained cautious and focused on comprehensive and proactive risk management to efficiently and closely monitor market movements to manage its financial robustness in line with the risk appetite, while also delivering suitable products in response to clients' needs. In 2023, the Bank smoothly supported customers to complete transferral of the index of interest rate derivatives or other products to RFR due to the cessation of LIBOR. In addition, the Bank always kept watch for new opportunities to not only expand existing products to cover more foreign currencies, but also prepare for potential new products to serve customer demands, hedging, and trading.

As for market risk assessment, Value-at-Risk (VaR) has been adopted, and backtesting is regularly conducted to validate the model's reliability. In addition, the Bank actively monitored developments and alerted relevant parties through the submission of flash reports upon the occurrence of significant events. We also conducted stress testing to assess risk under crisis situations.

In 2023, the Bank's aggregate market risks were carefully managed and closely observed to ensure that such risks remained within the acceptable risk threshold. VaR for a 10-day holding period at a 99-percent confidence level of the trading book averaged 218.78 million baht.

• Market Risk Capital Requirement



▶ MARKET RISK IN BANKING BOOK

The banking book includes positions in financial instruments or other transactions not intended for trading, or financial instruments meant to be held for a long period or until reaching maturity.

Interest Rate Risk in Banking Book

The Bank is exposed to interest rate risk in the banking book when mismatches between the interest rate structure of assets, liabilities, and off-balance sheet positions adversely impact the Bank's earnings and capital. The following details show the potential interest rate risks that may or may not be inherent both on and off the balance sheet of the Bank.

- Repricing risk arises from timing differences in the residual term (for fixed rates) and the next repricing (for floating rates) of assets, liabilities, and off-balance-sheet items.
- Yield curve risk arises from changes in the shape and slope of the yield curve.
- Basis risk arises from a change in market interest rates, causing interest rates of assets, liabilities, and off-balance-sheet items to change disproportionately.
- Option risk arises from a change in interest rate which causes the volume or period of cash flow from a financial instrument with an embedded option to change.

To manage interest rate risk, the Bank conducts repricing gap analysis by both static and dynamic simulations based on projected interest rate trends, on a monthly basis or upon any significant change. The Bank also assesses the potential impact on net interest income (NII impact) from an earnings perspective for short-term effect analysis, while analyzing the sensitivity of the book value of shareholder equity (BVE impact) from an economic value perspective for long-term effect analysis on a monthly basis. The results of NII and BVE impact on various simulations are reported to senior management and related committees for prompt decision-making and to ensure that interest rate risk is within the risk appetite approved by the Board.

• Enhancement of Interest Rate Risk in Banking Book Management Tools in 2023

The risk measurement tools are continuously and appropriately improved in line with international guidelines and regulatory requirements.

In 2023, the Bank reviewed the interest rate risk in the banking book policy, practical guidelines and measurements for enhanced efficiency, and elevation of sound risk governance standards in line with BOT's Regulations on Interest Rate Risk in the Banking Book of Financial Institutions. Important actions included adjustment of the net interest income (NII) limit and the early warning level to quantify the impact on basis risk in order to support new reference indices such as THOR and Fallback THBFX (Adjusted THBFX) before the imminent cessation of LIBOR.

• Interest Rate Risk in Banking Book for 2023

Results of the Financial Business Group's interest rate risk assessment assuming a 1.00-percent increase in interest rates and yield curves of all rate-sensitive types of assets, liabilities, and off-balance sheet items at their different repricing periods are shown below:

NET INTEREST INCOME (EARNINGS PERSPECTIVE)

(Unit: Million baht)

Currency	As of December 31, 2023
THB	456
USD	-626
Other Foreign Currencies	-874
Total Impact	-1,044
% of projected net interest income over the next 1 year	-0.92%

BOOK VALUE OF EQUITY
(ECONOMIC VALUE PERSPECTIVE)

(Unit: Million baht)

Currency	As of December 31, 2023
THB	-8,735
USD	-535
Other Foreign Currencies	-394
Total Impact	-9,664
% of capital	-2.44%

Equity Price Risk in Banking Book

The Bank monitors and reports the equity price risk in the banking book exposures to ensure that the level of the capital fund is appropriate and sufficient to absorb losses arising from positions in the banking book.

The Board determines the total limit, which shall be regularly reviewed at least once a year. Additionally, the Executive Committee (EXCOM) is responsible for approving transactions of the banking book items based on the authority delegated by the Board. The EXCOM is also responsible for approving the investment policy to ensure that investments are effectively and appropriately undertaken and in alignment with the economic situation and competition in the financial business industry.

The Global Markets Group is responsible for executing transactions under the risk limits approved by the Board as well as assessing the value of positions at least once a month. Furthermore, the Securities Investment Department monitors and reports the equity positions to the ALCO on a monthly basis.

Foreign Exchange Risk in Banking Book

Fluctuation in exchange rates affects the value of the Bank's foreign currency-denominated assets and liabilities. The Bank is exposed to foreign exchange risk incurred from our overseas operations and investments, and any activities related to the banking book which incur foreign exchange exposure.

The Bank has a proactive risk monitoring process and control measures in place to ensure that risk is within an acceptable level. Foreign exchange risk management is under the supervision of the Risk Management Group and the Global Markets Group.

To monitor and control foreign exchange risk at the Bank and Group-wide levels, we apply VaR, individual/aggregate position, stop loss, etc.

▶ MARKET RISK TREND IN 2024

Looking toward 2024, market risk includes ongoing concerns from 2023. Internal and external risk factors must continue to be closely watched, i.e., lingering geopolitical risk, direction of monetary policy in major countries, i.e., potential rate cut of the Fed and potential negative rate exit of the Bank of Japan (BOJ), and China's real estate crisis, as well as the efficiency of any Thai economic stimulus. In addition, the potential minimum wage hike and the severity of the El Niño phenomenon may affect the cost of goods and inflation pressures. These factors would cause uncertainty in financial market sentiment.

LIQUIDITY RISK MANAGEMENT

Liquidity risk arises from failure to repay debts and contingent liabilities by the due date because of an inability to convert assets into cash; it also relates to failure to obtain sufficient funds or higher-than-expected funding costs, thus adversely affecting income and capital funds.

▶ LIQUIDITY RISK MANAGEMENT FRAMEWORK

The Bank is fully aware and recognizes the importance of regulatory requirements and manages liquidity risks as appropriate based on market conditions and acceptable risk levels.

The Bank has established the liquidity risk management policy, managing and controlling liquidity risks to ensure adequate sources of liquidity to maintain sufficient future cash flows during both normal and stressed situations to cover business activities. The policy and limits are regularly reviewed and approved by the Board to ensure that they are commensurate with the scope, volume, and complexity of transactions, and support prudent business expansion.

Overall liquidity risk management is overseen by the Risk and Compliance Committee (RCC), the Risk Management Committee (RMC), and the Asset and Liability Management Committee (ALCO). The Market Risk Management Division provides strategic risk management options, while the Global Markets Group proposes proper funding liquidity management strategies and manages daily liquidity positions under risk limits approved by the Board.

The Bank realizes the importance of measuring tools that are suited to the size and complexity of transactions both on- and off-balance sheet. The Liquidity Coverage Ratio (LCR) is applied to short-term liquidity management to ensure maintenance of adequate liquid assets, while



the Net Stable Funding Ratio (NSFR) is applied to long-term liquidity management to ensure maintenance of stable funding.

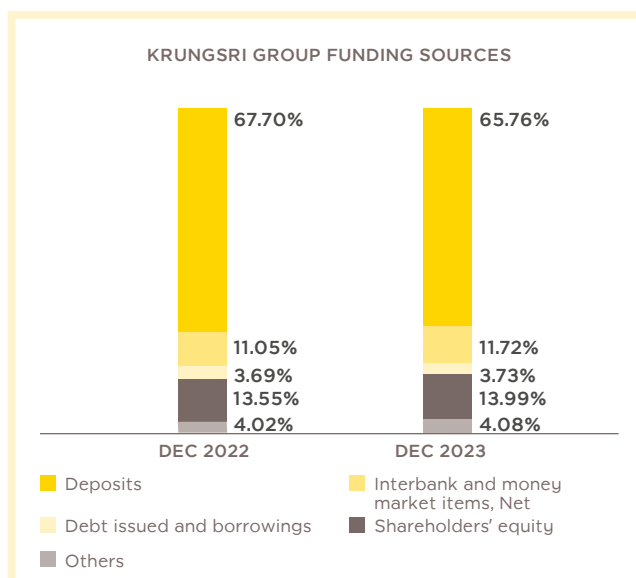
The Bank also emphasizes and conducts proactive liquidity ratio management mainly by assessing projected liquidity ratios based on the most likely business growth scenarios or any event that could impact the liquidity of Krungsri Group, in order to ensure compliance with our risk appetite.

A manageable level of maturity mismatches of cash flows from assets and liabilities is then consistently maintained and regularly monitored with liquidity stress testing, together with sufficient liquidity reserves. The Bank also has a liquidity contingency plan that outlines the roles and responsibilities of the management and the relevant departments, and has early warning indicators together with an action plan that allows the Bank to promptly manage crisis events and successfully resume normal operations.

► MAIN SOURCES OF FUNDING

The Bank's major funding source is customer deposits stimulated by various deposit campaigns and mobile banking services. This strategy can support continuous expansion of the retail customer base. In addition, the Bank encourages customers to foster relationships with the Bank and focuses on operational services to increase deposit volume and comply with the BOT's guidelines.

Other funding sources include MUFG borrowings and long-term debentures, considered a stable funding source from our great partnership with one of the world's largest banks, and domestic and foreign institutional investors, respectively.

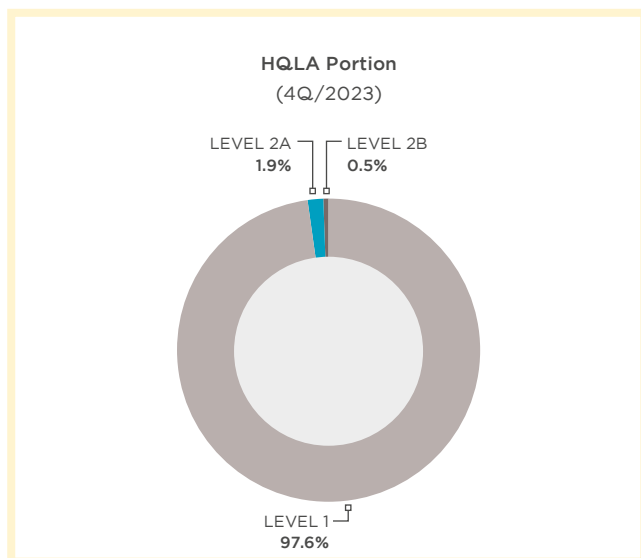


► REGULATORY REQUIREMENTS ON LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO

The Bank focuses on regulatory compliance regarding deposit restructuring and cost management to comply with the Liquidity Coverage Ratio (LCR) at the minimum requirement of 100 percent as of January 1, 2020, and Net Stable Funding Ratio (NSFR) guidelines with the minimum requirement of 100 percent, effective July 1, 2018. To comply with the BOT's Notification SorNorSor. 2/2561 regarding Liquidity Coverage Ratio Disclosure Standards, dated January 25, 2018, the Bank provides on our website essential LCR information for shareholders and investors to assess the liquidity risk of the Bank and encourage market discipline.

▶ LIQUIDITY COVERAGE RATIO MANAGEMENT

The average LCR as of the fourth quarter of 2023 was 160 percent, still well above the BOT's minimum requirement and the Bank's internal trigger level. The Bank had sufficient liquidity by maintaining 97.6 percent of total HQLA in Level 1 assets including government bonds, BOT bonds, public sector entity (PSE) bonds guaranteed by the Ministry of Finance, and cash.



▶ LIQUIDITY SITUATION IN 2023 AND LIQUIDITY RISK TREND IN 2024

In 2023, the Thai economy grew at a slower pace which was mainly driven by a stronger recovery in the tourism sector and improving domestic spending. However, Thai exports weakened in 2023 along with a slowdown in the global economy amid high interest rates and rising geopolitical tensions. Also, the delay in forming a government after the last general election negatively affected sentiment, investment, and public spending. Bearing these factors in mind, we are fully equipped with tools for appropriate liquidity management in terms of both foreign currencies and the Thai Baht to guard against any potential liquidity shortage.

In 2024, the Thai economy is poised to grow in line with the economic cycle and continue to be driven by the recovery of the tourism sector, recovering public expenditure, policy supports, and rising employment. However, the Thai economy still faces many risk factors both domestic and foreign markets, including the slowdown of the global economy together with the weaker-than-expected recovery of the Chinese economy, the tightening monetary policy of several countries, intensifying geopolitical tensions, policy uncertainty and political risk in Thailand, and financial market sentiment

from rollover risk amid delays in debentures payment as well as the high volume of matured debentures in 2024 and 2025. Additionally, Thai exports are expected to show only modest growth due to continued pressure from the economic weakness of trading partner countries with sub-par global growth. As a result, the Bank will closely monitor factors that could affect our liquidity risk over both the short and medium terms, including:

- Capital inflows and outflows triggered by both internal and external factors
- Intensified competition among financial institutions in savings and investment products
- Increasing loan demand which could put pressure on liquidity in the banking system
- Impacts on loan quality and cash flow due to tightening monetary policy

OPERATIONAL RISK MANAGEMENT

Operational risk refers to the risk of loss resulting from inadequate or failed internal procedures, technical problems, human factors, and external events. It also includes legal risk but excludes strategic and reputational risks.

Operational risk may occur in any part of the Bank's business processes and can result in financial or non-financial impacts including legal and regulatory breaches or reputational impacts.

The Bank recognizes the increased potential for operational risk incidents in the Bank's operations stemming from pandemics, destructive cyber security incidents, technology failures, political crises, flooding, and other natural disasters.

The Bank remains committed to effectively managing and mitigating major operational risk with a proactive approach and sufficient resources under our risk appetite, promoting sound operational risk management governance and frameworks, as well as gaining knowledge and understanding to cultivate operational risk awareness throughout Krungsri Group.

Operational risk is managed under operational risk management policies approved by the Bank's Board of Directors. Krungsri's policy stipulates the minimum requirements for a framework that is implemented throughout the organizational structure along with the Three Lines of Defense to ensure independent oversight of operational risk management. All business units as operational risk owners and risk-takers have primary responsibility for day-to-day identification and management of the operational risk inherent in their products, activities, procedures, and systems, in accordance with the Bank's policies.

The Operational Risk Management Division is responsible for designing and developing the risk management framework and reporting significant risks and risk-related incidents to senior management and relevant committees. In addition, the Internal Audit Group provides an independent check on the structure, policies, and actions taken to ensure adequacy and effectiveness of operational risk management.

► OPERATIONAL RISK MANAGEMENT FRAMEWORK AND TOOLS

The Bank has implemented the operational risk management framework and process in alignment with international standards. The Bank has a process to verify, assess, control, and report significant operational risks to the senior management and relevant committees.

The Risk and Control Self-Assessment (RCSA) Program is reviewed regularly based on historical loss data and changes in the business environment, which helps reflect the risk profile of the Bank. Krungsri implemented the testing program of key controls for key risks as identified in the RCSA with the aim of ensuring that key controls are well-designed and performed regularly, as reflected in the risk profiles.

We also conduct risk assessments on new products, processes, and technologies to ensure that all of these, or significant changes to existing processes and systems, are subject to comprehensive risk evaluation in terms of potential operational risk, information technology risk, cyber threats, and other risks, and approved by related business units and the management before launch.

Key risk indicators are collected and tracked at both the Bank level and the business unit level to provide early warning signals of deterioration in Krungsri Group's internal controls. Appropriate action plans must be put in place to prevent losses should risk levels exceed acceptable thresholds.

All departments are responsible for reporting operational risk incidents that result in direct and indirect losses beyond a certain threshold, including near-miss and non-financial impact events, to the Operational Risk Management Division. The Bank established a Significant Incident Management Working Group for such incidents; root causes are analyzed and addressed in a working group discussion to ensure that effective preventive measures are engaged, and to share lessons learned from significant operational risk incidents with other business units.

Together with the abovementioned tools, the Bank has implemented an operational risk management system (ORMS) to improve the efficiency of the risk control self-assessment approach, monitoring of key risk indicators, and reporting of operational risk incidents. Business units that are risk owners can easily access operational risk management processes, helping to reduce manual operations, which are being replaced with an automated workflow. In addition, the ORMS provides analysis reports on operational risk information more effectively.

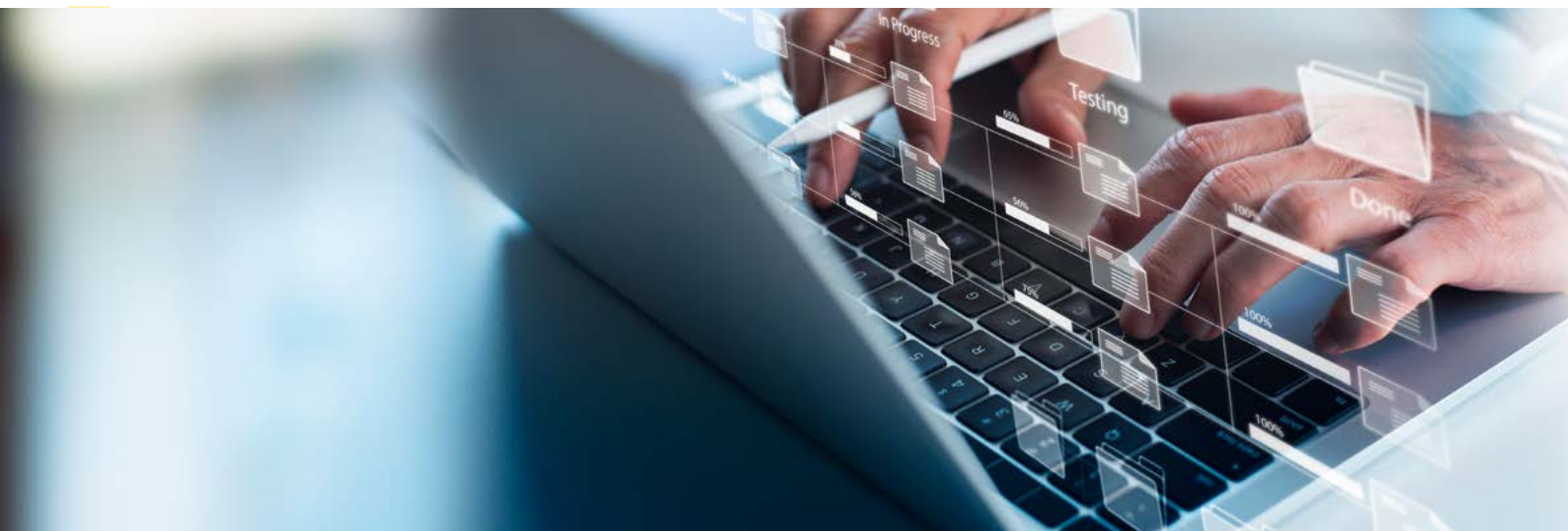
The Bank continues to enhance business partner risk management and recognizes the importance of data security, protection of personal data, handling of complaints and service problems, ensuring continuity of operation and provision of services to customers, and having in place risk management for using business partners' services to cover related risks, especially reputational risks, operational risks, and information technology risks.

The Bank recognizes the importance of business continuity management to ensure that if disruptions occur anywhere across Krungsri Group, key products and customer services can be provided or restored within a reasonable period. We have improved the Call Tree process by using our internal mobile application, reducing time and resources for greater effectiveness and efficiency of crisis communication.

► CAPITAL REQUIREMENTS

We currently use the Standardized Approach (SA) to calculate operational risk capital. Details of the capital requirements are in the following table.

KRUNGSRI OPERATIONAL RISK MINIMUM CAPITAL REQUIREMENTS AS OF DECEMBER 31, 2023, AND DECEMBER 31, 2022 (Unit: Million baht)		
Standardized Approach	Dec 31, 2023	Dec 31, 2022
Total Capital Charge for Operational Risk	12,350	11,597
Equivalent Risk-Weighted Assets for Operational Risk	154,370	144,964



INFORMATION TECHNOLOGY RISK MANAGEMENT

Information technology risk, or IT risk, is the potential risk in using information technology to run a business. This could affect the systems or operations of the Bank and includes the risk of cyber threats and the risks incurred from third parties.

The Bank recognizes IT risk as a significant risk category and as an element of enterprise-wide risk management, and provides sufficient resources to manage such risk through the promotion of IT risk management under the governance and policy framework.

IT risk management is part of the Bank's operational risk management and information security management, focusing on confidentiality, integrity, and availability of systems and data—including the maintenance and protection of customer data to boost their confidence in the Bank's financial services.

To effectively manage IT risk, the Bank established an IT risk management policy covering the organizational structure, roles, and responsibilities for the committees and related parties according to the Three Lines of Defense Model. The Bank developed the appropriate IT risk management framework, which is aligned with the Bank's operational risk management framework, to ensure that such risks, including the risks incurred from cyber threats, the use of third-party services, and IT project management are identified, assessed, monitored, controlled, and reported. In this regard, the process of the IT risk management framework covers risk assessment, treatment, monitoring and review, and reporting.

The Bank conducts IT risk assessments of critical applications with the respective application owners, both business units and IT units. Such assessments aim to identify and assess the potential IT risks, root causes, and impacts, including

the existing controls and their effectiveness. The Bank has also developed an IT risk universe to determine the risk management scopes and gather all relevant IT risks.

The Bank has developed key IT risk indicators which correspond to the significance of all mission-critical applications and systems of the Bank in order to monitor and keep IT risk levels under the relevant risk appetite. The Bank has researched and analyzed IT risk incidents that have occurred, including the monitoring of IT risk trends that could impact the Bank and other organizations, to ensure that the Bank has appropriate IT risk management.

The Bank has developed a policy that controls the testing of financial services with the utilization of financial technology (Own Sandbox). The policy aims to control the use of new technology in creating, developing, and improving products or services. Hence, we can be assured that such financial innovations meeting the specified criteria can be deployed under the stipulated requirements and environment.

The Bank has third-party risk management, which is under the IT risk management framework. We recognize the importance of monitoring and managing the risks arising from the use of, connection with, and access to a third-party database and service in accordance with the risk level and significance, having established IT security and cybersecurity systems in accordance with the Bank's standards, while data confidentiality, integrity, and availability must also be upheld.

On top of that, the Bank has in place a process to manage and report significant IT incidents or problems as well as significant cyber threats or attacks. Such issues are presented to the Risk Management Committee, the Executive Committee, the Risk and Compliance Committee, and the Board of Directors, respectively.

KRUNGSRI TOWARD SUSTAINABLE BANKING

1) SUSTAINABILITY POLICY AND GOALS

With the tenet of 'banking with purpose' and the accountability of a Domestic Systemically Important Bank (D-SIB), Krungsri strives to operate in accordance with good corporate governance based on the '**Sustainable Banking**' guidelines by incorporating ESG dimensions in the Bank's processes that go hand in hand with prudent and rigorous ESG risk management. At the same time, we explore opportunities

ideal for operating as a responsible financial service provider, taking into account positive social and environmental impacts, which is consistent with the '**Responsible Lending**' guidelines in the best interests of all groups of stakeholders, while also enhancing our capabilities to address the Sustainable Development Goals (SDGs) both at the national and international levels.

SUSTAINABILITY VISION:

To be the most sustainable commercial bank in Thailand



Integrating ESG Considerations into Processes

Environmental Aspect

- Climate Change Management
- Environmental Management and Resource Efficiency

Social Aspect

- Fair Labor Practices and Respect for Human Rights
- Promotion of Financial Literacy
- Occupational Health, Safety, and Working Environment
- Financial Inclusion
- Responsible Lending and ESG Considerations
- Human Resources Development
- Stakeholder Engagement
- Community Participation and Social Engagement

Economic and Governance Aspect

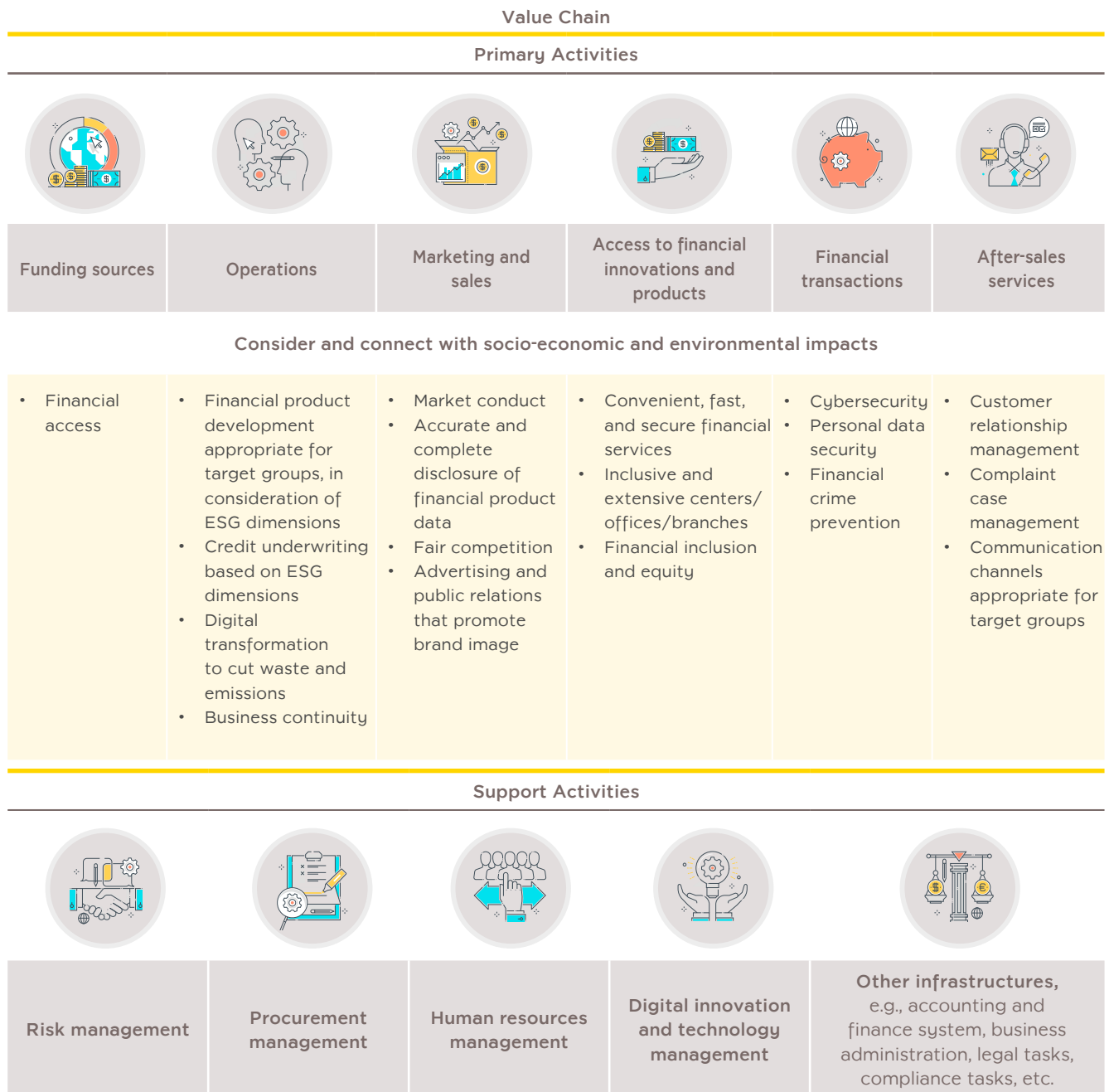
- Financial Crime Prevention
- Cybersecurity
- Good Governance and Anti-Corruption
- Data Governance and Personal Data Protection
- Risk and Crisis Management
- Customer Experience and Market Conduct
- Innovation and Digital Transformation
- Supply Chain Management

Remark: Please see 'Materiality Identification Process' in Krungsri's Sustainability Report 2023 for more details.

2) VALUE CHAIN MANAGEMENT

Krungsri places importance on stakeholders of the entire value chain, upstream through downstream, thereby focusing on sustainable value creation in parallel with managing impacts

on stakeholders through appropriate stakeholder engagement in response to their expectations as well as international guidelines and practices.



STAKEHOLDER ANALYSIS

Krungsri places high fairness-based value on all stakeholder groups, internal and external. The Bank ensures that a stakeholder analysis and prioritization process is in place, with concern for diverse relevant factors. They include the context of relationships with stakeholders and the connection with adding value throughout the entire supply chain, shareholder expectations, impacts of the Bank's operations on stakeholders in terms of economic, social, environmental, and governance aspects, mutual dependency, codes of conduct, and responsibility toward stakeholders. Krungsri categorizes stakeholders into nine groups: 1) executives and staff members, 2) customers, 3) shareholders, 4) suppliers or vendors, 5) creditors, 6) regulators of the banking business and listed companies, 7) investors and analysts, 8) other commercial banks or financial institutions, and 9) communities and society.

In addition, Krungsri has established processes that build meaningful stakeholder engagement through focusing on their own expectations and perspectives on the Bank's operations. Considering this, we can establish stakeholder engagement guidelines and best practices, covering the economic, social, and environmental dimensions, including issues that could spill over into the Bank's business capabilities. Greater stakeholder engagement not only enables us to make strategic business decisions so that we would be able to respond to expectations across all stakeholder groups, but also mitigate potential risks and adverse impacts to build better stakeholder relationships that promote sustainable success.

Remark: Please see 'Shareholder Engagement' in Krungsri's Sustainability Report 2023 for more details.

Stakeholder Mapping



3) ENVIRONMENTAL MANAGEMENT

- Formulate an 'Environmental Disclosure Statement' addressing the following international environmental issues:
 - Striving to protect the environment and responding to climate change is the responsibility of all human beings
 - Contributing to the realization of a sustainable society by protecting the global environment in alignment with the SDGs
 - Complying with applicable international legislation and agreements, and responding appropriately when our operations result in environmental risks or negative impacts
- Striving to reduce environmental impacts of our operations, as well as actively working toward finding solutions to global environmental issues through our business activities
- Declare **Krungsri Carbon Neutrality Vision** in conformity with the United Nations Sustainable Development Goal 13: Climate Action, low-carbon transitions in alignment with the Paris Agreement and Nationally Determined Contribution (NDC), and MUFG's Carbon Neutrality Declaration, with the following goals:
 - Decarbonizing the Bank's own operations by 2030**
 - Decarbonizing the Bank's financial services by 2050**
 - Phasing out our exposure to coal-fired power plants within 2030; enhancing financial disclosure policies with an action plan to disclose our portfolio's financial emissions as well as reduction targets

- Increasing the social and sustainable finance portfolio by 100 billion baht by 2030
- Contributing to the active promotion of sustainable and green finance market development in Thailand
- Conduct a **Carbon Footprint for Organization (CFO)** to assess greenhouse gas emissions from Krungsri Group's business operations and identify significant sources of greenhouse gas emissions. This effort is to stipulate the practices to reduce the organization's greenhouse gas emissions—including preparation of various measures to achieve Krungsri Carbon Neutrality Vision. In this regard, the Bank assessed the carbon footprint for the organization according to the criteria stipulated by the Thailand Greenhouse Gas Management Organization (Public Organization) and the ISO 14064-1 standard. These are international standards and requirements for organizations in measuring and reporting greenhouse gas emissions with the aim of raising our certification standard of greenhouse gas emissions to the international level.
- Establish the **Policy for Environment, Resource, Occupational Health, and Safety** to promote and support environmental management and resource efficiency. The policy serves as a guideline for determining environmental protection and resource conservation measures in compliance with laws and regulations relating to the environment. Krungsri's executives and staff at all levels, as well as internal and external related parties, shall cooperate in promoting and complying with the following 11 measures regarding energy consumption, resource efficiency, and environmental conservation.
- Appoint the **'Working Committee on Environment'** to support responsible business operations that take into account environmental mandates and ultimate energy efficiency and resource management. It comprises 10 business unit representatives, and its performance is directly reported to the Sustainability Committee.
- **Establish appropriate environmental complaint channels** via the Bank's complaint channels, e.g., the website (krungsri.com/th/esg/contactus), Krungsri Call Center 1572, or directly file complaints to the Working Committee on Environment, etc.

Remark: Please see 'Environmental Management and Resource Efficiency' and 'Climate Change Management' in Krungsri's Sustainability Report 2023 for more details.

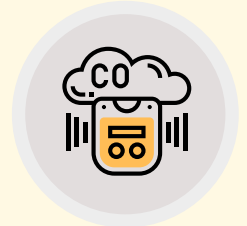
► SIGNIFICANT ENVIRONMENTAL PERFORMANCE

Carbon Footprint for Organization

● **Greenhouse gas emissions of Krungsri Group (Scope 1 and 2) ^{1/}:**
51,633 tons
 of carbon dioxide equivalent



● **GHG emission intensity of the organization (Scope 1 and 2):**
2.43 tons of carbon dioxide equivalent per person



Remark: ^{1/} In 2023, the greenhouse gas emissions from the Head Office, Krungsri Ploenchit Office, branches nationwide, and 15 subsidiaries (located in Thailand) were disclosed, to which the information of the new subsidiary, Krungsri Capital Securities PCL, was added. The information has been sent to and is pending certification by the Thailand Greenhouse Gas Management Organization (Public Organization).

Increasing energy efficiency

Krungsri has continuously conducted feasibility studies and made a plan for increasing energy efficiency and reducing electricity consumption of all electrical equipment in both the Head Office and branches nationwide, while reducing GHG emissions from the Bank's operations. Details are as follows:

• **Improvement of the Chiller Plant Management System of the Head Office**

The Chiller Plant Management System has been in use for a long time, with relatively low efficiency and high electricity consumption. Krungsri, therefore, conducted a study to analyze the efficiency of the Chiller Plant Management System and made a plan for changing the system. The improvement is expected to commence at the Head Office in 2024 in order to increase the chiller plants in the office. It is expected that the electricity consumption will be reduced by 1,102 MWh/Year. In 2023, the cooling water distribution in the chiller plants of the Head Office was adjusted, with the connection points of the cooling water distribution between Building A and Building B were adjusted, while ceasing the operations of chiller plants of Building B. This has reduced electricity consumption by 895,272 units per year, and electricity bills by 3,769,095.12 baht, while mitigating scope 2 emissions by 447,546.47 kgCO₂e.

- **Replacement of air conditioners in the Head Office and Bank branches nationwide**

Krungsri is planning to replace old air conditioners in the Head Office and the Bank's branches nationwide, particularly standalone branches whose air conditioning units' efficiency has decreased over time, with high electricity consumption. Krungsri plans to gradually replace them with new highly efficient and energy saving air conditioners, from 2023 to 2024, by 20 branches per year.

- **Improvement of lighting systems at the Bank's branches nationwide**

Krungsri plans to replace older conventional light bulbs with highly efficient LED light bulbs to save energy in the Bank's branches nationwide, by 20 branches per year, from 2024 onwards.

Wastewater Reclamation

Krungsri reuses the treated wastewater from the Head Office's cooling tower system and dripping water from the condensation coil system for efficient water consumption and mitigation of environmental impact. In 2023, about 137.99 cubic meters per month or 1,655.85 cubic meters per year of the treated wastewater from the Head Office was used to water plants, wash the ground floor parking area, and refill the fountains in front of the building, helping us save an estimated 28,414.38 baht per year.

As for KSPO, Krungsri uses water from rainwater tanks as well as the treated wastewater from the cooling tower system and dripping water from the condensation coil system to water plants around the building. Also, about 206.09 cubic meters per month or 2,473.07 cubic meters per year of the water is reused in the cooling tower system, helping us save 42,437.88 baht per year.

Waste Management

In 2018, the 'Krungsri Zero Waste' initiative was introduced to address the SDGs, particularly Goal 12: Responsible Consumption and Production, and Goal 13: Climate Action. Krungsri launched several internal projects and activities to instill employee awareness of environmental problems and adjust waste sorting behaviors, starting by promoting resource efficiency, reduction of waste from the Bank's processes or activities, and proper waste sorting to cut down the amount of waste sent to landfills—a major contributor to GHG and climate change—as follows:

- Stop the use of foam food containers in the Bank's canteens and encourage employees to carry their own reusable straw, cup or bottle, cloth bag, eating utensils, and food container to minimize single-use plastics

- Encourage employees to properly sort trash through the 'Krungsri Right Place, Right Bin' activity
- Promote the donation of reusable cloth bags or plastic bags still in good condition to reduce the use of new plastic bags
- Discourage employees from ordering more food than they can eat, and install food waste decomposers to reduce food waste from the canteens to landfills
- Organize projects and activities in collaboration with the public sector and partnership networks to reduce waste and GHG emissions, e.g., the Green Office project initiated by the Ministry of Natural Resources and Environment; and the project of proper e-Waste disposal according to international standards in partnership with Advanced Info Service Public Company Limited and Synnex (Thailand) Public Company Limited

2023 marked the sixth year of the 'Krungsri Zero Waste' project with the following activities:

- Participated in the Low Emission Support Scheme (LESS) of the Thailand Greenhouse Gas Management Organization (Public Organization) (TGO) for the category of waste management under the 'Krungsri Right Place, Right Bin' activity which covers the areas of Head Office and KSPO. The Bank was awarded the Certificate of the Low Emission Support Scheme (based on waste management in 2022), under which Krungsri reduced greenhouse gas emissions by 1,081.561 tons of carbon dioxide equivalent (tCO₂e).
- Supported the 'Care the Whale' project by joining hands with the SET in promoting end-to-end waste minimization and waste sorting for proper disposal, including promotion of the circular economy model. Krungsri aims to reduce non-recyclable waste such as plastic bags, snack packaging, plastic eating utensils, paper cups, plastic cups, plastic straws, milk cartons, and juice cartons by sending them to be used as refuse-derived fuel (RDF) in the cement manufacturing process so that there is zero RDF to landfills. The Bank communicated on the matter and provided RDF waste bins so that employees could sort their waste. In 2023, 9,106.75 kilograms of RDF was collected from the Head Office, Krungsri Riverside Office and KSPO and sorted to be used in the cement manufacturing process, helping reduce GHG emissions by 7,224.38* kgCO₂e.
- Installing food waste decomposers to reduce waste to landfills as well as GHG, Krungsri is committed to becoming a zero food waste organization.

- Krungsri installed a food waste decomposer in 2020 at the Head Office. It uses biotechnology to turn food waste into bio-soil in alignment with the circular economy concept. In 2023, food waste from the Head Office was reduced by 16,243.47 kilograms or 41,095.98* kgCO₂e, and the leftovers were turned into 2,960 kilograms of bio-soil.
- Another food waste decomposer was installed at KSPO in December 2022 and began operations in early 2023. The machine helped reduce the amount of food waste sent to landfills by 4,957.61 kilograms per year or 12,542.74* kgCO₂e, equivalent to planting 1,393 trees.

Remark: * Calculation of GHG emissions is based on the emission factors and the Carbon Footprint for Organization (July 2022) of the Thailand Greenhouse Gas Management Organization (TGO).



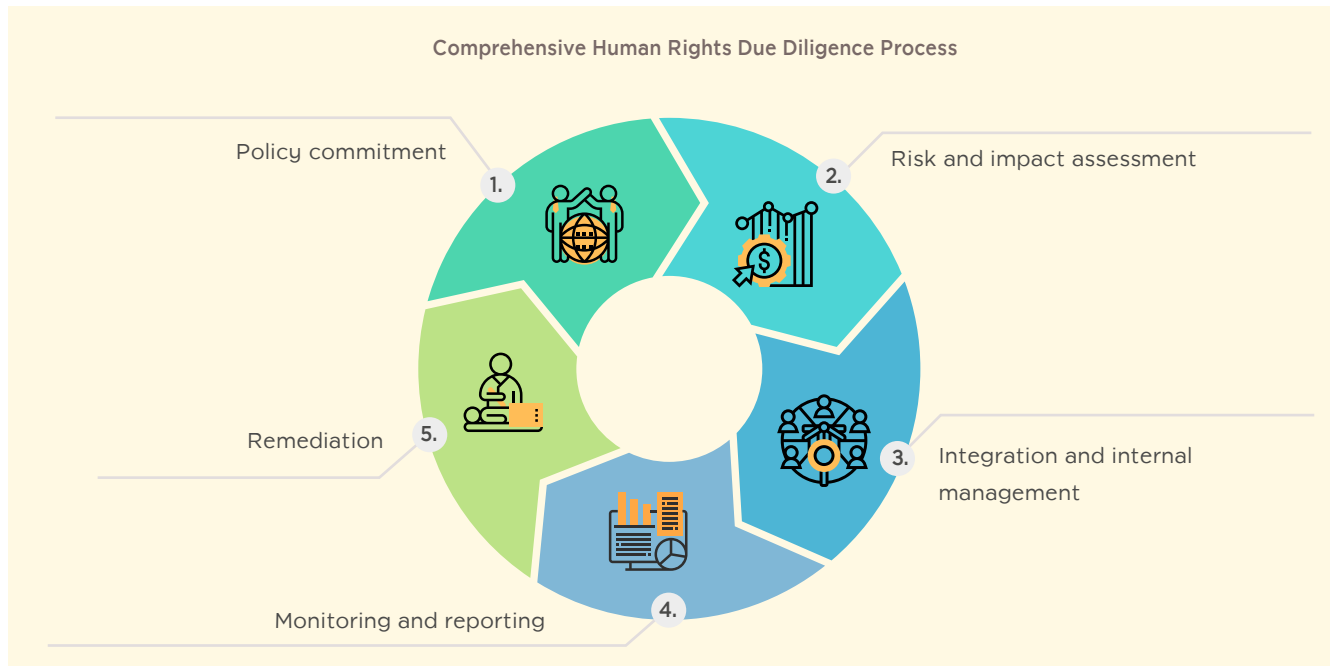
4) SOCIAL IMPACT MANAGEMENT

As a member of society, Krungsri emphasizes social impact management in a holistic manner by considering the needs and expectations of stakeholders, both those close to us, e.g., employees, customers, and suppliers/vendors, and those with a less direct connection, e.g., surrounding communities and society. Social impact management guidelines have been established as follows:



Fair Labor Practices and Respect for Human Rights

- Promulgate the **Human Rights Disclosure Statement** that reads, 'Krungsri recognizes respect for human rights as an important issue to be addressed in our business management to realize our Corporate Mission as a member of the world's most trusted financial group in serving society through sustainable growth. We aim to fulfill our responsibility to respect human rights across all of our operations'. This disclosure statement reaffirms the Bank's commitment to meeting the international sustainable issues and targets.
- The '**Human Rights Policy**' was established to serve as a basic framework for the respect of human rights that covers all stakeholder groups. Guidelines are as follows:
 - o Ensure treatment of all stakeholder groups, including customers, suppliers or vendors, business partners, etc., in accordance with the human rights principles at the domestic and international levels based on equality and non-discrimination.
 - o Refrain from any actions that violate human rights, through human rights risk management, well-rounded human rights due diligence, and remedies and reparation upon human rights violations.
 - o Support and encourage the protection of and respect for human rights through communication and dissemination of knowledge, and stipulate guidelines for monitoring and providing support to stakeholders in the business value chain.



Remark: Details about the Human Rights Due Diligence Report 2023 are available at krungsri.com.

- Establish a **Human Rights Due Diligence (HRDD)** process in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs) to provide a systematic approach to managing human rights through the integration of human rights into Krungsri Group's business processes and activities, while avoiding adverse human rights impacts across the value chain. Furthermore, the **HRDD** must be systematically verified every two years to identify, assess, safeguard, and mitigate the risks related to human rights throughout the business value chain.
- Establish the '**Human Resources Committee (HR Committee)**' to give advice concerning the Human Resource Policy and any significant changes regarding human resource matters of Krungsri Group, including employee policies, projects, plans, benefit plans, etc. Krungsri's compliance with the Human Resource Policy is also monitored to ensure human resource activities are effectively and efficiently organized. The committee also reviews and evaluates the key strategies, policies, and projects or action plans related to human resources operations of Krungsri Group to ensure the strategies, policies, and projects or action plans are competitive and comparable with those of industry peers, while complying with relevant laws and regulatory requirements.
- Stipulate the '**Human Resource Policy**' as a framework for establishing a guideline for communicating our human resource management and development process, as well as related roles and responsibilities, applicable to Krungsri Group. This policy comprises four elements as follows:
 - 1) Recruitment:** Cover consideration in internal and external recruitment based on the basic foundation of fair hiring practices, prevention of conflicts of interest, respect for differences and diversity, and employee engagement
 - 2) Workplace environment:** Focus on promoting and supporting diversity in the workplace at home and abroad for a positive working environment, while preventing improper employee behavior, discrimination and division, conflicts of interest, and any harassment that could lead to disrespect for employee rights
 - 3) Performance and compensation management:** Focus on fairness, transparency, verifiability, and non-conflicts of interest, with clear, fair, and nondiscriminatory guidelines and procedures for employee compensation and benefits
 - 4) Employee development and career management:** Focus on employee development and performance enhancement for both employees and the Bank in accordance with the Bank's business targets and strategies, while also responding to customers' demands and equipping employees with competency enhancement to support sustainable business growth
- Establish the '**Procedures for Recruitment and Hiring**', so that the Bank's recruitment and hiring guidelines and steps are clear and shared, as well as being compliant with related regulations and policies. This procedure covers the procurement of permanent employees, short-term employees, advisors, outsourced staff, and interns, taking

into account fair recruitment and hiring, while being strictly compliant with labor laws and regulatory requirements. Job applicants' qualifications and job descriptions are considered without discrimination, while emphasis and value are placed on diversity, including ethnicity, gender, age, and religious belief. In addition, the Bank focuses on employee and applicant privacy best practices, while taking into account data security and respect for the rights of employees and applicants.

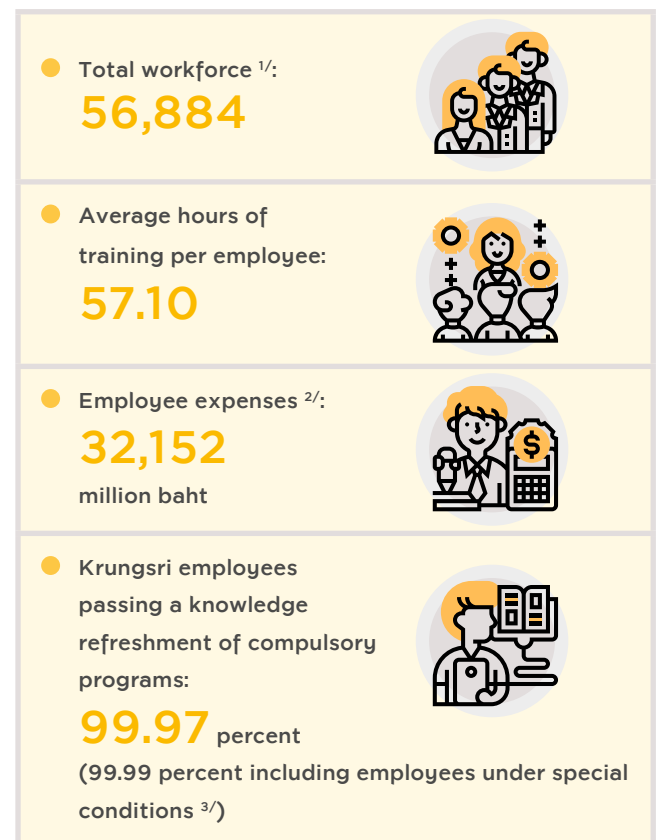
- **Focus on compliance with international legal requirements and frameworks of each country in which the Bank has business operations**, such as Lao PDR, Cambodia, and the Philippines.
- Formulate a **'termination guideline'**, based on fairness and compliance with labor laws, where terminated employees are notified by the Human Resources Group upon or before their payday for that month so that the effective date of termination falls on the payday of the following month. In addition, severance and special severance is paid to such employees in compliance with regulatory requirements, and the Bank's hiring rules, regulations, and requirements.
- Perform a **survey and review the remuneration payment and provision of employees' benefits on a regular basis** to improve criteria or remuneration structures in line with the current labor market trends as well as to ensure the Bank's remuneration and benefits are competitive and corresponding to those of industry peers. In this connection, differences and diversity, including gender, age, ethnicity, religion, etc., will not be taken into consideration when determining remunerations, benefits, and promotions of the employees.
- Provide **appropriate benefits to support employees** and their family and/or reduce their cost of living and ease their financial concerns, which will promote their well-being and good operating performance.
- Conduct an **employee opinion survey (Voice of Krungsri)** via an external party. Employees' feedback would be taken into consideration to develop the human resource operations as well as enhance efficiency and engagement of the employees. The frequency of the survey depends on appropriateness and consideration of related committees.
- Organize **activities to foster employee engagement** such as retirement and service recognition ceremonies, activities on important occasions, namely a merit-making ceremony on Krungsri's establishment anniversary, the Employee Purchase Program where the Bank joins hands with suppliers in providing inexpensive products for

employees, and 'Pay Day, Play Day' with a quiz game related to the Bank's basic information and activities of the Human Resources Group. Furthermore, Krungsri also communicated with employees through the 'KarE Channel' to present news in video format through two programs: 'Insight Krungsri' to foster organizational pride, and 'Hello Yellow' to build employee engagement, etc.

- Enable employees to voice their concerns through various **channels to help solve their problems** in accordance with the Bank's regulations

Remark: Please see 'Fair Labor Practices and Respect for Human Rights' in Krungsri's Sustainability Report 2023 for more details.

▶ KEY PERFORMANCE FOR FAIR LABOR PRACTICES AND RESPECT FOR HUMAN RIGHTS



Remarks: ^{1/} Including permanent and temporary employees of the Bank, subsidiaries, joint ventures, and associates

^{2/} 'Employee expenses' means salaries, wages, overtime pay, bonuses, cost of living subsidies, employee benefits, the Bank's contribution to provident funds, welfare programs, and other benefits, e.g., health insurance, annual health checkup.

^{3/} 'Employees under special conditions' refers to employees identified by supervisory business units as being unable to attend compulsory programs, such as those who suffer terminal illness, and retired employees.

► RESPONSIBILITIES TOWARD CUSTOMERS

- Establish the core value of **'Customer Centricity'** as part of the organization's culture as well as the heart of our business operations to become customers' most preferred financial institution.
- **Strictly adhere to the market conduct regulations of the Bank of Thailand (BOT)** to mitigate the risks of non-compliance with BOT regulations, suspension of services, fines or penalties, and reputational risk.
- Formulate the **'Policy for Market Conduct'** for controlling market conduct management according to regulatory requirements, serving as a guideline on providing fair services to customers. Both the Bank and companies in the Financial Business Group (Krungsri Group) must refer to this policy when formulating their own comparable policies unless there are more stringent or more comprehensive policies or regulatory requirements imposed on the company. Moreover, the policy must be reviewed at least once per year or upon significant changes. The framework is based on minimum standards stipulated by regulators such as the BOT.
- Stipulate the **'Procedure for Service Quality Assurance'** as the guideline on assessing the performance of the Services Quality Assurance Section, Customer Care Department, regarding the service quality evaluation of staff and officers providing customer service via phone or customer visits, to ensure that operations are conducted under shared standards without any breach of relevant laws. Service quality is assessed by checking conversation sound clips or customer satisfaction surveys, the results of which will be analyzed and used for setting strategic plans toward ultimate efficiency. The results are also used to evaluate the performance of the relevant staff or business units.
- Establish the process of auditing staff's sales quality by stipulating the **'Procedure for Sales Quality Checking (Call Back)'** to control, supervise, and audit sales operations in compliance with the Policy for Market Conduct by randomly calling customers to survey their satisfaction regarding the staff's service quality. The survey results will be analyzed and used for the Bank's service enhancement.
- Promote, communicate, and set standards so that all functions within Krungsri Group realize and understand the **'Customer Complaint Resolution Process (CCRP)'** which covers not only the main contact channel **'Krungsri Call Center 1572'**, but also other channels such as the Bank's



branches, website (krungsri.com), email, and facsimile. With this employee guideline for handling customers' complaints, compliments, and suggestions, all relevant business units must resolve any complaint within the time limit as per the Service Level Agreement (SLA) counting from the day that the complaint was received from each channel.

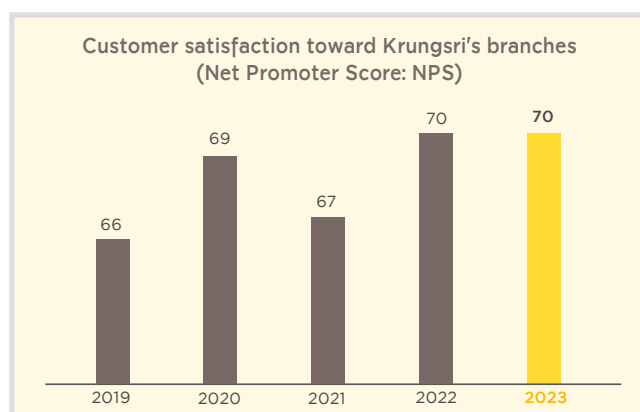
- Manage and expand the scope of customer services via the live chat channel to facilitate and speed up customer services by establishing the **'Digi-Care Contact Center'** in addition to the existing customer service channels in order to accommodate customers who make contact through the Bank's social media channels such as the 'Krungsri Simple' page in Facebook and X (Twitter), website (krungsri.com), email, or other online media such as the Pantip webboard (pantip.com) to ensure that customer service and assistance are provided swiftly.
- Disclose reports of product and service quality, as well as statistics of IT disruption that impacted service provision through significant channels, e.g. Krungsri Mobile Application (KMA), Internet banking, automated teller machine (ATM), cash deposit machine (CDM), and the Bank's branches. The reports are posted on Krungsri's website (krungsri.com) on a quarterly basis.
- Establish the annual customer satisfaction survey process by using the **'Net Promoter Score (NPS)'** tool so that the feedback will be used for improving the Bank's products and services to perfectly satisfy customer expectations and demands.
- Establish the **'Customer Experience Management Division'** responsible for collecting and analyzing customer feedback and suggestions given via multiple channels, e.g., product satisfaction surveys, customer feedback given to frontline staff, and via social media.

In addition, channels for receiving staff feedback are available as they also play a vital role in enhancing the customer experience, while meetings to promote internal cooperation are arranged to improve operational and service processes for greater efficiency and effectiveness. Feedback from both customers and staff is crucial for in-depth analysis and product and service development planning. In this regard, the customer feedback analysis and planning information would be proposed to the '**Customer Experience Council (CXC)**', of which the chairman is the Bank's senior executive, so that the council would select suitable solutions for product and service development while delivering the best customer experience.

Remark: Please see 'Customer Experience and Market Conduct' in Krungsri's Sustainability Report 2023 for more details.

► KEY PERFORMANCE FOR BRANCH RESPONSIVENESS TO CUSTOMERS

Krungsri conducts a customer satisfaction survey on the Bank's branch services nationwide every year; the feedback is used for the Bank's branch service enhancement and improvements, such as branch staff, services, and behaviors; knowledge enhancement for staff responsible for financial products and services; staff training on related regulatory requirements; improving workflows for greater efficiency, etc. The Bank has established the '**Branch Service Quality Section**' under the supervision of the Branch Communication and Service Quality Department, responsible for branch service quality control, supervision, and enhancement, to ensure a better response to customer demands and excellent customer service. As a result, customers have been impressed by branch services and have chosen to use more of the Bank's products and services, establishing a connection with the Krungsri brand, which leads to the Bank's improved reputation over the long term. For 2023, Krungsri's target for Net Promoter Score (NPS) was set at 69 percent, while the actual NPS was as high as **70 percent**.



► COMMUNITY AND SOCIAL RESPONSIBILITIES

- Appoint the '**Sustainability Committee**' responsible for defining strategies, directions, policies, and regulations for operations relating to ESG, sustainability, and social accountability of the Bank and the companies in the Financial Business Group (Krungsri Group) in accordance with sustainable banking principles, the guidelines and expectations of regulators, including the Sustainable Development Goals (SDGs) of the United Nations, to be proposed to the Executive Committee for approval. The Sustainability Committee shall hold a meeting no less than once per quarter and shall report its performance directly to the Executive Committee.
- Form the '**Policy for Social Contribution and Project Formulation**' as the basic framework for providing financial support and donations to the corporate social responsibility (CSR) activities of Krungsri Group. The group companies must use this policy as a guideline in forming an equivalent policy of their own.
- Stipulate that all employees comply with the '**Policy and Program for Anti-Bribery and Corruption**' of the Bank. It shall be considered that giving to, donating to, and supporting various activities must have legitimate business objectives and must not lead to a conflict of interest, while also being in accordance with the Policy for Social Contribution and Project Formulation. The implementation of and strict compliance with such policies and measures will help prevent and mitigate risks that could occur such as bribery, corruption, conflicts of interest, as well as reputation risks. On top of that, the policy and measures do not allow the Bank to undertake any political support, whether it is carried out personally or on behalf of the Bank. This is because such undertakings could exert influence on external parties, which may lead the Bank to gain benefits or business advantages that are improper and unfair.
- Establish the '**Corporate Social Responsibility Department**' under the Environmental, Social, and Governance Division of the Corporate Strategy and Planning Group. Its responsibility is to devise CSR strategies and determine plans, projects, or campaigns that have positive impacts on society, including driving Krungsri's CSR activities in cooperation with our alliances and relevant parties, both internal and external, to carry out CSR activities in conformity with international guidelines or standards as well as the SDGs.
- Stipulate the social responsibility framework called '**Krungsri's 4 CSR Pillars**' so that our CSR activities respond to sustainable development at the national and international levels. Details are as follows:

KRUNGSRI'S 4 CSR PILLARS



CREATING SUSTAINABILITY VALUE

Focusing on creating an understanding of social responsibility and shared value of sustainability among executives, employees, and stakeholders



GIVING BACK TO THE COMMUNITY

Focusing on creating community engagement both in the Bank's operating area and the society through various CSR activities and projects



PRESERVING THE ENVIRONMENT

Focusing on cultivating environmental conservation habits and awareness through CSR activities and projects, including



PROVIDING FINANCIAL SUPPORT

Focusing on promoting support for and assistance to society in various aspects such as education, public health and medical aspects, and disaster relief

Remark: Please see 'Community Participation and Social Engagement' in Krungsri's Sustainability Report 2023 for more details.

Key Performance for Community and Social Responsibilities

● Investments for community and social development ^{1/}:
4 million baht



● Donations ^{1/}:
17.69 million baht



● Krungsri Group volunteers representing
3,937 people



● Volunteer hours:
10,053 hours



Remark: ^{1/} Bank of Ayudhya and subsidiaries only



'Giving More... Receiving More' project promoting blood donation

Krungsri started the 'Giving More...Receiving More' project in 2007 in collaboration with the National Blood Centre, Thai Red Cross Society, to promote the donation of blood, organs, and eyes to aid people in need, especially in crises when the blood inventory is insufficient for patient treatments. In this connection, Krungsri organized the blood drives by considering the appropriateness of the venue and giving priority to donor safety.

In 2023, a total of 732,400 cc of blood was donated through the blood drives in collaboration with the National Blood Centre, Thai Red Cross Society. The details are as follows:

- Held four blood drives at the Head Office in March, June, September, December, where 400,800 cc of blood was donated.
- Held four blood drives at the KSPO in March, June, September, December, where 139,600 cc of blood was donated.
- Held blood drives through 15 provincial branches, namely Kalasin Branch, Si Saket Branch, Thanon Phahon Yothin Saraburi Branch, Udonrdhani Branch, Nangrong Branch, Amnat Charoen Branch, Thanon Phatthanakan Khu Khwang Branch, Chainat Branch, Uthai Thani Branch, Ban Chang Branch, Nakhon Ratchasima Rajabhat University Branch, Thanon Mittraphap Khon Kaen Branch, Siyaek Sanam Bin Chiang Mai Branch, Phitsanulok Branch, and Phuket Branch. Through these activities, a total of 192,000 cc of blood was donated.



'Krungsri Breast Cancer Awareness' project

Krungsri started the 'Krungsri Breast Cancer Awareness' project in 2010 with the support of the Breast Foundation under the Patronage of HRH the Princess Mother, aiming to support the country's public health strategies through diverse activities such as breast self-examination training by experts and free mobile mammography units providing the public high-quality breast examination services of a standard equivalent to examination at the Thanyarak Breast Center.

In 2023, activities organized under the 'Krungsri Breast Cancer Awareness' project were as follows:

- Donated funds amounting to 500,000 baht to support the breast examination activities of the Breast Foundation under the Patronage of Her Royal Highness the Princess Mother
- Organized knowledge sharing sessions on the dangers of breast cancer, and breast self-examination methods, for a group of public health volunteers from sub-district health promoting hospitals in Phra Pradaeng District, Samut Prakan Province, consisting of: 1) public health volunteers from Bang Krasop sub-district health promoting hospital; 2) public health volunteers from Bang Nam Phueng sub-district health promoting hospital; 3) public health volunteers from Bang Ko Bua sub-district health promoting hospital, Village No. 2; and 4) public health volunteers from Bang Ko Bua sub-district health promoting hospital, with a total of 100 volunteers participating in these activities, after which they would disseminate the knowledge obtained from these programs to women in their communities. In this regard, Dr. Wiphawan Apiwat, a doctor at the Thanyarak Breast Center, Siriraj Hospital, was invited to share knowledge with the participants.
- Organized breast diagnosis activities through mobile mammography units for underprivileged women at the Head Office with 50 participants. They would be informed of the diagnostic test results and treatment steps if any abnormalities were detected.



Ayutthaya Historical Site Conservation project

Since 2015, Krungsri has carried out heritage conservation activities in our birthplace province, Phra Nakhon Si Ayutthaya—a historic city recognized as a World Heritage Site by UNESCO, in collaboration with the 3rd Regional Office of Fine Arts Department, Phra Nakhon Si Ayutthaya. The activity aims to sustain communities' cultural heritage and encourage Krungsri employees to take part in the country's cultural preservation.

Four activities were organized around the Ayutthaya city island area and surrounding areas, with the aim of preserving and enhancing the landscape of the ancient cultural heritage sites. The details are as follows:

- The first activity was held on April 1, 2023, at Wat Wang Chai, with the participation of 69 Krungsri Group volunteers who spent 552 volunteer hours.
- The second activity was held on May 27, 2023, at Wat Khae (Abandoned), with the participation of 72 Krungsri Group volunteers who spent 576 volunteer hours.
- The third activity was held on August 19, 2023, at Wat Worapho, with the participation of 72 Krungsri Group volunteers who spent 576 volunteer hours.
- The fourth activity was held on September 23, 2023, at Wat Sika Samud, with the participation of 92 Krungsri Group volunteers who spent 736 volunteer hours.
- The participants' overall satisfaction score is 98 percent.



Doi Tung Check Dam Construction Project

Krungsri has constructed Doi Tung check dams since 2009 to help retain the moisture and richness of forests so that they can serve as wildfire barriers and natural water sources useful for the locals as well as the wildlife.

In 2023, Krungsri executives, volunteers, employees of Krungsri Auto, Ngern Tid Lor, and business partners such as car dealers, collaborated to build 32 check dams at Ban Pha Bue in the Doi Tung Development Project (the operation area of the royal initiative) in Chiang Rai. Since 2009, Krungsri Group has constructed 302 check dams in the Doi Tung Development Project area to retain moisture in the area. In addition, the Bank and Krungsri Auto provided 1 million baht to the Mae Fah Luang Foundation to support its restoration and conservation of water resources for a sustainable ecosystem.

KEY FINANCIAL INFORMATION

SUMMARY OF THE AUDIT REPORT

The auditor is Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. by Mr. Chavala Tienpasertkij, who has audited the financial statements for the years 2021 - 2023. An auditor expressed an unmodified audit opinion in the audit reports.

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

Statements of Financial Position

Bank of Ayudhya Public Company Limited and Subsidiaries

As at December 31

(Unit: Thousand baht)

	Consolidated Financial Statements		
	2023	2022	2021
Assets			
Cash	28,169,604	29,809,734	29,370,777
Interbank and money market items, net	507,974,332	460,919,592	346,816,011
Financial assets measured at fair value through profit or loss	1,740,461	998,296	735,901
Derivatives assets	29,055,607	30,027,490	24,993,090
Investments, net	130,538,799	145,166,925	182,710,312
Investments in subsidiaries, associate and joint ventures, net	17,920,515	16,580,435	14,457,378
Loans to customers and accrued interest receivables, net	1,942,699,757	1,873,490,845	1,816,869,472
Properties for sale, net	5,555,112	5,212,261	3,273,214
Premises and equipment, net	36,327,764	31,004,015	30,821,335
Goodwill and other intangible assets, net	31,540,062	16,672,311	17,021,650
Deferred tax assets	6,086,001	4,248,698	4,510,329
Other assets, net	30,686,880	22,820,220	27,529,161
Total assets	2,768,294,894	2,636,950,822	2,499,108,630

Statements of Financial Position (Continued)

Bank of Ayudhya Public Company Limited and Subsidiaries

As at December 31

(Unit: Thousand baht)

	Consolidated Financial Statements		
	2023	2022	2021
Liabilities and Equity			
Deposits	1,839,601,001	1,804,692,244	1,779,138,526
Interbank and money market items	323,995,537	289,976,590	202,149,529
Liability payable on demand	4,387,336	4,226,086	4,041,826
Derivatives liabilities	32,838,856	37,340,384	21,671,872
Debt issued and borrowings	104,217,056	98,198,641	118,977,170
Provisions	12,212,832	10,605,835	12,014,547
Deferred tax liabilities	1,304,064	1,049,581	1,125,626
Other liabilities	78,284,538	49,102,437	41,752,882
Total liabilities	2,396,841,220	2,295,191,798	2,180,871,978
Equity			
Share capital			
Authorized share capital			
7,574,143,747 ordinary shares of baht 10 each	75,741,437	75,741,437	75,741,437
Issued and paid-up share capital			
7,355,761,773 ordinary shares of baht 10 each	73,557,618	73,557,618	73,557,618
Premium on ordinary shares	52,878,749	52,878,749	52,878,749
Other reserves	3,678,725	2,586,999	4,299,561
Retained earnings			
Appropriated			
Legal reserve	7,574,144	7,574,144	7,574,144
Unappropriated	230,764,350	204,321,373	179,205,803
Total Bank's equity	368,453,586	340,918,883	317,515,875
Non-controlling interest	3,000,088	840,141	720,777
Total equity	371,453,674	341,759,024	318,236,652
Total liabilities and equity	2,768,294,894	2,636,950,822	2,499,108,630

Statements of Profit or Loss and Other Comprehensive Income

Bank of Ayudhya Public Company Limited and Subsidiaries

For the Year ended December 31

(Unit: Thousand baht)

	Consolidated Financial Statements		
	2023	2022	2021
Interest income	139,250,871	105,428,252	99,803,755
Interest expenses	39,860,975	21,650,327	21,823,669
Interest income, net	99,389,896	83,777,925	77,980,086
Fees and service income	29,211,948	24,237,147	24,053,016
Fees and service expenses	8,381,015	7,292,419	7,201,753
Fees and service income, net	20,830,933	16,944,728	16,851,263
Gains on financial instruments measured at fair value through profit or loss, net	5,637,050	4,732,652	4,095,788
Gains (losses) on investments, net	-	(40,035)	10,925,241
Share of profit from investment using equity method	1,583,026	1,556,501	1,930,465
Dividend income	425,134	449,744	366,328
Bad debts recoveries	7,527,380	6,728,858	6,586,684
Other operating income	3,554,942	2,265,711	4,170,541
Total operating income	138,948,361	116,416,084	122,906,396
Other operating expenses			
Employee's expenses	32,151,970	27,142,994	26,717,401
Directors' remuneration	74,988	69,617	64,604
Premises and equipment expenses	8,251,038	7,397,827	7,194,404
Taxes and duties	3,623,883	2,507,258	2,216,677
Others	17,733,436	13,917,801	12,761,187
Total other operating expenses	61,835,315	51,035,497	48,954,273
Expected credit loss	35,616,581	26,652,373	31,604,341
Profit from operating before income tax expenses	41,496,465	38,728,214	42,347,782
Income tax expenses	8,364,113	7,838,517	8,293,292
Net Profit	33,132,352	30,889,697	34,054,490

Statements of Profit or Loss and Other Comprehensive Income (Continued)

Bank of Ayudhya Public Company Limited and Subsidiaries

For the Year ended December 31

(Unit: Thousand baht)

	Consolidated Financial Statements		
	2023	2022	2021
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
Gain (loss) on investments in debt instruments at fair value through other comprehensive income	90,790	(1,402,025)	(718,832)
Gain (loss) on hedges	347,857	91,671	50,703
Gain (loss) arising from translating the financial statements of foreign operation	(847,376)	208,133	1,167,030
Share of other comprehensive income of associate and joint venture	(12,307)	(60,996)	5,437
Income tax relating to components of other comprehensive income	(65,497)	168,577	(102,153)
Items that will not be reclassified subsequently to profit or loss:			
Gain (loss) on investments designated at fair value through other comprehensive income	(946,920)	(1,092,284)	1,000,767
Change in assets revaluation surplus	2,756,415	-	-
Actuarial gain (loss) on defined benefit plans	(114,074)	1,006,446	1,234,956
Share of other comprehensive income of associate and joint ventures	(11,923)	7,151	(1,507)
Income tax relating to components of other comprehensive income	(334,783)	17,168	(447,145)
Total other comprehensive income, net	862,182	(1,056,159)	2,189,256
Total comprehensive income	33,994,534	29,833,538	36,243,746
Net profit attributable			
Owners of the Bank	32,929,523	30,712,985	33,794,188
Non-controlling interest	202,829	176,712	260,302
	33,132,352	30,889,697	34,054,490
Total comprehensive income attributable			
Owners of the Bank	33,788,179	29,655,325	35,988,558
Non-controlling interest	206,355	178,213	255,188
	33,994,534	29,833,538	36,243,746
Earnings per share of owners of the Bank			
Basic earnings per share (Baht)	4.48	4.18	4.59
Weighted average number of ordinary shares (Shares)	7,355,761,773	7,355,761,773	7,355,761,773

Statements of Cash Flows

Bank of Ayudhya Public Company Limited and Subsidiaries

For the Year ended December 31

(Unit: Thousand baht)

	Consolidated Financial Statements		
	2023	2022	2021
Cash flows from operating activities			
Income from operating before income tax expenses	41,496,465	38,728,214	42,347,782
Adjustments to reconcile income to cash received (paid) from operating activities:			
Depreciation and amortization	4,915,792	4,568,757	4,761,064
Expected credit loss	35,616,581	26,652,373	31,604,341
(Gain) loss on translation in foreign currencies	(2,967,602)	(2,696,300)	1,772,698
Unrealized (gain) loss from revaluation of derivatives	(1,719,943)	12,178,431	3,381,013
Share of profit from investment using equity method	(1,583,026)	(1,556,501)	(1,930,465)
(Gain) loss on investments	-	40,035	(10,925,241)
Amortization of premium on investments in debt securities	353,535	476,415	558,215
Gain on sales of properties for sale	(1,931,056)	(999,619)	(1,476,540)
Loss on sales of premises and equipment	314,908	322,445	209,009
Loss on impairment of properties for sale (reversal)	758,585	277,051	(58,567)
Reversal loss on impairment of premises and equipment	(44,925)	-	-
Loss on impairment of goodwill	583,796	-	-
Reversal loss on impairment of other assets	(26,882)	(4,613)	(19,479)
Increase (decrease) in other reserves	1,191,624	(661,864)	(806,921)
Interest income, net	(99,389,896)	(83,777,925)	(77,980,086)
Interest received	136,395,082	104,285,219	98,144,442
Interest paid	(34,428,014)	(20,010,682)	(22,994,644)
Gain from a bargain purchase	(183,430)	-	-
Dividend income	(425,134)	(449,744)	(366,328)
Dividends received	425,098	449,727	366,328
Increase in other accrued expenses	2,098,110	933,559	271,076
Income tax paid	(8,668,027)	(6,798,700)	(8,037,612)
Income from operations before changes in operating assets and liabilities	72,781,641	71,956,278	58,820,085

Statements of Cash Flows (Continued)

Bank of Ayudhya Public Company Limited and Subsidiaries

For the Year ended December 31

(Unit: Thousand baht)

	Consolidated Financial Statements		
	2023	2022	2021
Cash flows from operating activities (Continued)			
(Increase) decrease in operating assets			
Interbank and money market items	(35,164,593)	(115,099,038)	180,429,574
Financial assets measured at fair value through profit or loss	(366,108)	(262,395)	50,435
Loans to customers	(72,850,562)	(99,493,171)	(100,232,050)
Properties for sale	21,115,776	16,897,563	24,300,754
Other assets	(3,547,818)	5,424,902	(200,775)
Increase (decrease) in operating liabilities			
Deposits	36,251,715	29,784,946	(62,033,789)
Interbank and money market items	2,718,450	85,267,555	(51,625,708)
Liability payable on demand	181,723	240,651	(1,643,145)
Other liabilities	7,566,369	4,827,388	(1,460,207)
Net cash from operating activities	28,686,593	(455,321)	46,405,174
Cash flows from investing activities			
Proceeds from sales of investments in securities	61,169,022	65,863,060	81,951,737
Cash paid for purchases of investments in securities	(42,757,004)	(31,412,933)	(102,114,526)
Proceeds from sales of investments in joint venture	-	-	12,696,670
Cash paid for investment in subsidiaries and joint venture	(26,990,341)	(810,941)	(1,545,027)
Proceeds from sales of premises and equipment	394,316	238,268	218,815
Cash paid for purchases of premises and equipment	(3,064,739)	(2,617,835)	(1,823,585)
Cash paid for purchases of intangible assets	(1,655,171)	(1,312,901)	(1,184,593)
Net cash from investing activities	(12,903,917)	29,946,718	(11,800,509)
Cash flows from financing activities			
Proceeds from debts issued and borrowings	24,955,206	45,501,864	27,455,784
Repayment of debts issued and borrowings	(22,422,921)	(65,524,871)	(54,834,278)
Payment for lease liabilities	(1,654,227)	(1,640,870)	(1,578,659)
Dividend payment	(6,309,144)	(6,311,246)	(5,516,821)
Net cash from financing activities	(5,431,086)	(27,975,123)	(34,473,974)
Total	10,351,590	1,516,274	130,691
Effect arising from translating the financial statements of foreign operations	(857,229)	10,845	896,030
Effect of exchange rate change on cash	12,428	4,185	78,460
Net increase in cash and cash equivalents	9,506,789	1,531,304	1,105,181
Cash and cash equivalents as at January 1,	40,249,207	38,717,903	37,612,722
Cash and cash equivalents as at December 31,	49,755,996	40,249,207	38,717,903

Key Financial Ratios

(Unit: Percent)

Consolidated	2023	2022	2021
Profitability Ratio			
Net Profit Ratio	17.59	21.13	22.24
Return on Equity Ratio	9.28	9.33	11.17
Yield on Earning Assets	5.48	4.34	4.15
Cost of fund	1.79	1.01	1.01
Interest Rate Spread ⁽¹⁾	3.69	3.33	3.14
Return on Investment Ratio	2.34	1.93	7.80
Efficiency Ratio			
Net Interest Income to Assets	3.68	3.26	3.05
Return on Assets	1.22	1.20	1.32
Asset Turnover (times)	0.07	0.06	0.06
Financial Policy Ratio			
Liability to Equity (times)	6.45	6.72	6.85
Loan to Borrowings	103.78	102.44	99.59
Loan to Deposit Ratio	109.65	108.02	106.25
Deposit to Liability Ratio	76.75	78.63	81.58
Dividend Payout Ratio ⁽²⁾	18.99	20.36	18.50
Total Capital Adequacy Ratio – Financial Business Group	20.34	20.23	20.08
Asset Quality Ratio			
Allowance for Expected Credit Loss to Loans and Accrued Interests Receivables	4.38	4.48	4.44
Expected Credit Loss to Loans	1.75	1.36	1.67
Non-Performing Loan to Total Loans ⁽³⁾	2.53	2.32	2.20
Accrued Interest Income to Loans and Accrued Interests Receivables	0.72	0.61	0.57

Remarks: ⁽¹⁾ Interest Rate Spread = Yield on Earning Assets - Cost of fund

⁽²⁾ Dividend Payout Ratio = Dividend Payment / Net Profit attributable to Owners of the Bank

⁽³⁾ Total loans are loans to customers and loans to financial institutions

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

EXECUTIVE SUMMARY:

In 2023, the overall Thai economy continued to grow, albeit at a slower pace than expected, largely attributed to soft external demand and domestic K-shaped recovery. Underscoring Krungsri's strategic thrust pertaining to both financial inclusion and ASEAN expansion, SME and retail loans, particularly the newly acquired ASEAN subsidiaries, were the key growth drivers for the 3.5% loan expansion recorded for the year.

Krungsri Group (the Bank and its business units) delivered a **net profit** of Baht 32,929 million in 2023, representing an increase of 7.2%, or Baht 2,216 million from 2022, in part, driven by both net interest income and net fee and services income growth contributions from the acquisitions of overseas consumer finance portfolios concluded in 2023. The aforementioned development was partially offset by higher operating expenses corresponding to consumer finance businesses acquired and an increase in expected credit loss, underscoring Krungsri's rigorous and prudential risk management approach.

As of December 31, 2023, **total loans** outstanding was Baht 2,017,204 million, representing an increase of Baht 67,795 million, or 3.5% from the end of December 2022, mainly driven by domestic commercial loans as well as retail loan expansion particularly with regard to contributions from new overseas subsidiaries. Excluding the newly acquired overseas business volume, organic loan growth marked an increase of Baht 16,611 million, or 0.9%.

Deposits increased by Baht 34,909 million, or 1.9%, from the end of December 2022, primarily from an increase in time deposits, offset by a decline in savings deposits.

The non-performing loan (NPL) ratio was at 2.53%, compared with 2.32% at the end of December 2022. With prudential reserves, particularly for overseas subsidiaries, the credit cost in 2023 amounted to 175 bps. The **loan loss coverage ratio** stood at 149.1%, moderating from 167.4 % at the end of December 2022.

Capital adequacy ratio (Bank only) improved to 18.24%, compared with 17.97% at the end of December 2022.

SUMMARY OF KRUNGSRI GROUP'S FINANCIAL PERFORMANCE

Operating Performance

Consolidated (Million Baht)	2023	2022	Change (%)
Net Interest Income	99,390	83,778	18.6
Non-Interest Income	39,558	32,638	21.2
Operating Income	138,948	116,416	19.4
Operating Expenses	61,835	51,035	21.2
Pre-Provision Operating Profit	77,113	65,381	17.9
Expected Credit Loss	35,617	26,652	33.6
Net Profit*	32,929	30,713	7.2
Earning per Share (Baht)	4.48	4.18	7.2

* Attributable to Owners of the Bank

Financial Position

Consolidated (Million Baht)	Dec. 31, 23	Dec. 31, 22	Change (%)
Loans to Customers	2,017,204	1,949,409	3.5
Total Assets	2,768,295	2,636,951	5.0
Deposit	1,839,601	1,804,692	1.9
Total Liabilities	2,396,841	2,295,192	4.4
Total Bank's Equity	368,454	340,919	8.1

KEY FINANCIAL RATIOS

Consolidated	2023	2022
Net Interest Margin	3.91%	3.45%
Cost to Income Ratio	44.5%	43.8%
Loan Growth	3.5%	3.1%
Deposit Growth	1.9%	1.4%
Return on Equity Ratio	9.28%	9.33%
Return on Assets Ratio	1.22%	1.20%
Loan to Deposit Ratio	110%	108%
Loan to Deposit and Debenture Ratio	107%	106%
NPL Ratio	2.53%	2.32%
Credit Cost (bps)	175	136
Loan Loss Coverage Ratio	149.1%	167.4%
Bank Only	Dec. 31, 23	Dec. 31, 22
Common Equity Tier 1 Ratio	13.56%	13.23%
Tier 1 Capital Ratio	13.56%	13.23%
Tier 2 Capital Ratio	4.68%	4.74%
Capital Adequacy Ratio	18.24%	17.97%

KEY DEVELOPMENTS IN 2023

Krungsri:

Business & Financial Operations:

- Key changes in deposit and lending rates in 2023 are as follows:
 - Deposit rates
 - An increase of 0.05% in savings rate to 0.30%
 - Increases in a range of 0.50 - 0.55% in the 3-month deposit rates
 - An increase of 0.55% in the 6-month deposit rates
 - Increases in a range of 0.60 - 0.70% in the 12-month deposit rates
 - Increases in a range of 0.75 - 0.80% in the 24-month deposit rates

Lending rates:

- Increases amounting to 1.20% in Minimum Loan Rate (MLR) to 7.28%
- Increases amounting to 1.25% in Minimum Overdraft Rate (MOR) to 7.575%
- Increases amounting to 1.15% in Minimum Retail Rate (MRR) to 7.40%

Credit Rating Upgraded:

- In April, Moody's Investors Service upgraded Krungsri's long-term foreign-currency deposit rating to A3 from Baa1 and affirmed the Bank's short-term foreign-currency deposit rating at P-2. Moody's also upgraded the Bank's Baseline Credit Assessment (BCA) to baa2 from baa3, reflecting the improvements in the Bank's solvency metrics, particularly in terms of capitalization and profitability,

as well as Moody's Investors Service's expectation that the Bank's asset quality will remain largely stable over the next 12-18 months.

M&A and Regional Expansion Strategy:

- Reinforcing Krungsri's commitment to competitiveness enhancement and expanding regional business footprint into ASEAN, the Bank completed business acquisitions of Capital Nomura Securities Public Company Limited (CNS) in March which has been rebranded as Krungsri Capital Securities Public Company Limited (KCS), SHBank Finance Company Limited (SHB Finance) in Vietnam in May, as well as Home Credit in the Philippines and Indonesia in June and October, respectively.

Sustainable Banking

- In June, Krungsri inaugurated the country's first green and blue bond issuance, through a private placement to the International Finance Corporation (IFC) with a total subscription of USD400 million, equivalent to Baht 14,236 million, of which proceeds will be used to further facilitate lending for climate mitigation and adaptation, as well as sustainable ocean health.

Regulatory Development:

Monetary Policy:

- The Monetary Policy Committee (MPC) announced three policy-rate hikes in 2023 raising the rate by a total of 1.25 percentage points to 2.50%, underscoring the committee's views on the Thai economy to gradually recover toward its growth potential, and inflation to be within the target range, as well as the current policy interest rate being appropriate for supporting long-term sustainable growth. Concurrently, the committee projected economic growth to be 3.2% in 2024, excluding the implementation of the government's digital wallet scheme; while headline inflation was projected to stay within the target range at 2.0% in 2024.

Financial Institution Policy:

- In March, the Bank of Thailand announced a one-year extension of the Soft Loan Emergency Decree.
 - 1) The extension of the Soft Loan and Transformation Loan programs under the Soft Loan Emergency Decree by one year, to expire on April 9, 2024, which is aimed to support vulnerable businesses that may need more time and liquidity to adapt to the changing business environment post-pandemic.

- 2) The Asset Warehousing program will not be extended because most businesses that pledged collateral under this program operate in the tourism and hospitality industries, which have recovered since the reopening. However, borrowers could negotiate terms and conditions of the remaining credit lines with their creditors under the program.

- 3) The remaining credit line of the Asset Warehousing program will be transferred to the Soft Loan program after the end of the program.

- In July, the Bank of Thailand announced new measures to sustainably address household debt problem as follows:

- 1) Responsible lending: Creditors must lend in a responsible and fair manner for debtors throughout their debt journey.
 - (i) Before applying for a loan/whilst signing a loan contract;
 - (ii) Being a debtor;
 - (iii) Having debt problems; and
 - (iv) Being filed a lawsuit or having debts sold off.

These measures became effective on January 1, 2024.

- 2) Persistent debt: Creditors must assist debtors whose interest payment exceeds principal payment over the past five years. The creditors must assist debtors with revolving personal loans that has low income and persistent debt to be able to fully repay their loans within five years at an interest rate not exceeding 15% per year, whilst still having sufficient disposable income to meet their living needs. In addition, the revolving credit line of debtors who opt into debt restructuring program must be closed, to ensure that they will not accumulate more debt. Their credit history should also be updated to reflect their participation in the debt restructuring program.

The measures will become effective on April 1, 2024.

- 3) The Bank of Thailand is currently exploring additional ways to address household debt problems by allowing creditors to adopt risk-based pricing (RBP) for retail borrowers through the regulator sandbox and applying debt service ratio (DSR) limits for loan origination. RBP is a mechanism that would provide more opportunity for borrowers with risks above the current ceiling to be able to obtain credit through formal channels. Meanwhile, low-risk borrowers or borrowers with good credit history will have more opportunity to borrow at interest rates lower than the current ceiling, which would foster good credit culture. Nevertheless, the Bank of Thailand would not cancel or adjust the current interest rate ceiling that generally applies to all.

Sustainability Policy:

- In June, the Bank of Thailand (BOT) and the Securities and Exchange Commission (SEC), as co-leads of the Thailand Taxonomy Board, released the Thailand Taxonomy Phase I focusing on the economic activity relating to the energy and transportation sectors which contribute to the highest proportion of carbon emissions which is to standardize economic activity in order to use it as a benchmark or assess economic activity that is climate-aligned.

THAI ECONOMIC OUTLOOK

The Thai economic outlook improves for 2024 with growth projection accelerating to 3.4%, compared to an estimated 2.5% in 2023, largely driven by both external and internal engines, namely a continued recovery in the tourism sector, domestic demand expansion supported by both private and public consumption and investment as well as the government's continued stimulus support.

Nevertheless, key risks that could weigh down the outlook include vulnerable households impacted by interest rates hiked, potential impacts of droughts, and a softening in demand from Thailand's key trading partners as well as ongoing geopolitical tensions.

PROGRESS OF KRUNGSRI'S MEASURES TO ASSIST CUSTOMERS IMPACTED BY THE CORONAVIRUS PANDEMIC

As of December 31, 2023, the loans outstanding under Krungsri's customer relief programs accounted for approximately 6.0% of total loans outstanding, or Baht 118,908 million, representing 135,178 retail customer accounts and 3,627 commercial customers. For SMEs, additional credit lines of Baht 22,675 million were offered to 5,048 SME customers to support their liquidity requirement under the Bank of Thailand's soft loan, special rehabilitation loan, and transformation loan programs, as well as the Government Savings Bank's soft loan program.

KEY ITEMS OF OPERATING PERFORMANCE**Net Interest Income**

Consolidated (Million Baht)	2023	2022	Change (%)
Interest Income	139,251	105,428	32.1
Interest on loans	93,067	67,696	37.5
Interest on interbank and money market items	10,456	3,475	200.9
Hire purchase and financial lease income	33,731	32,748	3.0
Investments and trading transactions	39	9	333.3
Investments in debt securities	1,788	1,419	26.0
Other interest income	170	81	109.9
Interest Expenses	39,861	21,650	84.1
Interest on deposits	20,987	10,733	95.5
Interest on interbank and money market items	6,722	3,335	101.6
Interest on borrowings	3,564	3,321	7.3
Contribution to Financial Institution Development Fund and Deposit Protection Agency	8,052	4,088	97.0
Other interest expenses	536	173	209.8
Net Interest Income	99,390	83,778	18.6

For 2023, net interest income was recorded at Baht 99,390 million, an increase of Baht 15,612 million, or 18.6%, from 2022, driven by a robust loan expansion in SME and retail segments,

particularly the contributions from overseas business entities; consequently NIM expanded by 46 bps.

Net Interest Margin

	2023	2022
Net Interest Margin	3.91%	3.45%
Yield on Earning Assets	5.48%	4.34%
Yield on Loans	6.39%	5.23%
Cost of Funds	1.79%	1.01%
Cost of Deposits	1.59%	0.83%

For 2023, NIM increased by 46 bps to 3.91% from 2022, driven by an improvement in the yield on earning assets by 114 bps to 5.48%, despite a 78 bps increase in the cost of funds.

Non-Interest Income

Consolidated (Million Baht)	2023	2022	Change (%)
Net fees and Service Income	20,831	16,945	22.9
Fees and service income	29,212	24,237	20.5
Fees and service expense	8,381	7,292	14.9
Total Non-interest and Non-fees Income	18,727	15,693	19.3
Gains (losses) on financial instrument measured at fair value through profit or loss (FVTPL)	5,637	4,733	19.1
Gains (losses) on investments, net	0	(40)	100.0
Share of profit (loss) from investment using equity method	1,583	1,556	1.7
Bad debt recoveries	7,527	6,729	11.9
Other operating income	3,980	2,715	46.6
Total Non-Interest Income	39,558	32,638	21.2

For 2023, non-interest income increased by 21.2%, or Baht 6,920 million, from 2022. The increase was largely due to net fees and service income, which registered notable contributions

from overseas subsidiaries, gains on financial instruments measured at fair value through profit or loss (FVTPL), and bad debt recoveries.

Fees and Service Income Breakdown

	2023	2022
Loan-related Fees	5%	5%
Bancassurance Fees	15%	14%
Transaction Fees	8%	10%
Auto HP Fees	14%	14%
Card-related Fees	34%	35%
Others*	24%	22%
Total Fee and Service Income	100%	100%

* Others: Comprise wealth and fund management, securities-related, and investment banking fees.

For 2023, fees and service income amounted to Baht 29,212 million, increasing by 20.5%, or Baht 4,975 million, from 2022, mainly from the newly acquired business entities in 2023, card-related fees in alignment with a higher spending volume

boosted by the recovery of economic activity, bancassurance, and auto hire purchase fees, corresponding the expansion of auto hire purchase loans.

Operating Expenses

Consolidated (Million Baht)	2023	2022	Change (%)
Employee expenses	32,152	27,143	18.5
Premises and equipment expenses	8,251	7,398	11.5
Taxes and duties	3,624	2,507	44.6
Directors' remuneration	75	69	8.7
Other expenses	17,733	13,918	27.4
Total Operating Expenses	61,835	51,035	21.2
Cost to Income Ratio	44.5%	43.8%	

For 2023, total operating expenses increased by 21.2%, or Baht 10,800 million, from 2022, mainly driven by employee expenses from the acquisitions of overseas business entities during the year, together with an increase in other expenses – mainly from impairment on foreclosed properties and marketing promotion expenses – corresponding to higher business activities and IT related expenses.

For 2023, the cost to income ratio was at 44.5%, increasing from 43.8% in 2022, underscoring the higher total operating expenses corresponding to increasing business volume from both domestic and overseas fronts.

Expected credit loss (ECL)

Consolidated (Million Baht)	2023	2022	Change (%)
Expected Credit Loss	35,617	26,652	33.6
Credit Cost (bps)	175	136	

For 2023 the expected credit loss was recorded at Baht 35,617 million, equivalent to a credit cost of 175 bps, compared to 136 bps level for 2022, mainly attributed to overseas consumer finance businesses, underscoring the prudential risk management approach and provisions.

KEY ITEMS OF FINANCIAL POSITION

Assets

Consolidated (Million Baht)	Dec. 31, 23	Dec. 31, 22	Change (%)
Cash	28,170	29,810	(5.5)
Net interbank and money market items	507,974	460,920	10.2
Financial assets measured at FVTPL	1,740	998	74.3
Derivative assets	29,056	30,027	(3.2)
Net investments	130,539	145,167	(10.1)
Net investments in subsidiaries, associate and joint ventures	17,921	16,580	8.1
Loans to customers	2,017,204	1,949,409	3.5
Accrued interest receivables and undue interest receivables	14,566	11,933	22.1
Allowance for expected credit loss	(89,070)	(87,851)	(1.4)
Net loans to customers and accrued interest receivable	1,942,700	1,873,491	3.7
Net properties for sales	5,555	5,212	6.6
Others	104,640	74,746	40.0
Total Assets	2,768,295	2,636,951	5.0

As of December 31, 2023, total assets stood at Baht 2,768,295 million, representing an increase of Baht 131,344, or 5.0%, from the end of 2022. The key drivers are as follows:

- Loans to customers increased by Baht 67,795 million, or 3.5%, largely driven the robust SME segment growth of 11.3%, and the retail loan growth of 5.6%, largely driven by strong growth of both domestic and overseas consumer finance portfolios.

- Net interbank and money market items increased by Baht 47,054 million, or 10.2%, driven by an increase in repurchase agreements and deposits at financial institutions.
- Other assets increased by Baht 29,894 million, or 40.0%, mainly from the revaluation of premises, the recognition of goodwill resulting from the business acquisitions, and account receivable from funds transfer transactions and securities businesses.
- Net investment decreased by Baht 14,628 million, or 10.1%.

Investments Classification

Consolidated (Million Baht)	Dec. 31, 23	Dec. 31, 22	Change (%)
Financial Assets Measured at FVTPL	1,740	998	74.3
Net Investments	130,539	145,167	(10.1)
Investments in Debt Securities Measured at Amortised Cost	2,873	518	454.6
Investments in Debt Securities Measured at FVOCI	119,966	135,224	(11.3)
Investments in Equity Securities Measured at FVOCI	7,700	9,425	(18.3)
Net Investments in Subsidiaries, Associate and Joint Ventures	17,921	16,580	8.1
Total Investments	150,200	162,745	(7.7)

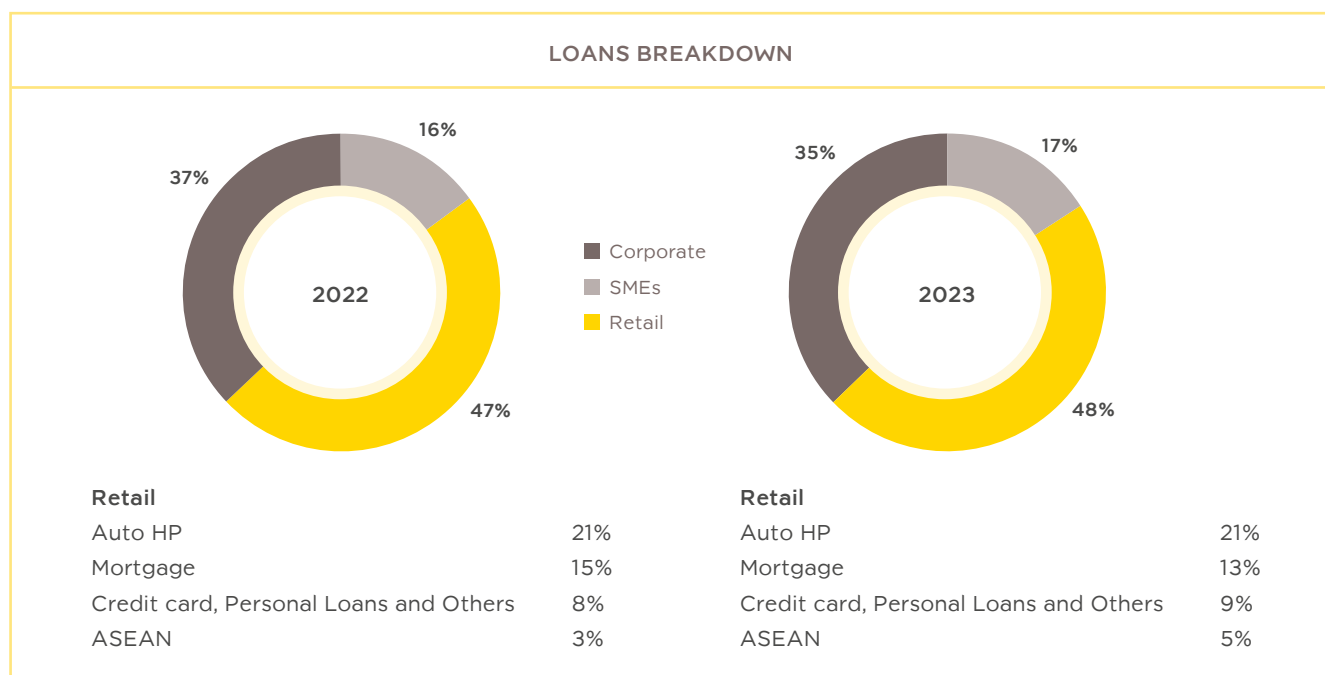
As of December 31, 2023, total investments decreased by 7.7%, or Baht 12,545 million, from the end of 2022.

LOANS TO CUSTOMERS

Loans by Segment

Consolidated (Million Baht)	Dec. 31, 23	Dec. 31, 22	Change (%)
Corporate	702,207	720,724	(2.6)
Thai Corporate	460,727	451,252	2.1
International Corporate (JPC/MNC)	241,480	269,472	(10.4)
SMEs	339,527	304,936	11.3
Retail	975,470	923,749	5.6
Hire purchase	429,991	412,676	4.2
Mortgage	269,070	284,649	(5.5)
Credit cards, personal loans and others	171,115	158,049	8.3
ASEAN*	105,294	68,375	54.0
Total Loans	2,017,204	1,949,409	3.5

* ASEAN Loans included Hattha Bank Plc. (CBDA), Krungsri Leasing Services Company Limited (LAOS), SHBank Finance Company Limited (VN), Home Credit Philippines (PHIL) and Home Credit Indonesia (IDSA)



As of December 31, 2023, total outstanding loans stood at Baht 2,017,204 million, relatively unchanged from the end of September 2023, and increased by Baht 67,795 million, or 3.5% from the end of December 2022. The growth was mainly driven by domestic commercial loans, as well as retail loan expansion particularly with regard to contributions from new overseas subsidiaries.

Details of loan performance by segment are as follows:

- **Corporate loans** decreased by 2.6%, or Baht 18,517 million, from the end of December 2022, largely driven by a decrease of 10.4%, or Baht 27,992 million, in International Corporate (JPC/MNC) loans, underscoring weakening external demand.

Thai corporate loans increased by 2.1%, or Baht 9,475 million from 2022, corresponding to measured private investment and economic expansions.

- **SME loans** grew by 11.3%, or Baht 34,591 million, from the end of December 2022, driven by SME-M and SME-S segments, echoing both term loan and working capital requirements corresponding to the economic recovery back to its pre-Covid level.

- **Retail loans** grew by 5.6%, or Baht 51,721 million from the end of December 2022. Details of retail loan performance by segment are as follows:

- o **Auto hire purchase loans** increased by 4.2%, or Baht 17,315 million from the end of December 2022, encompassing all product segments.
- o **Mortgage loans** decreased by 5.5%, or Baht 15,579 million from the end of December 2022, corresponding to the unfavorable development due to reduced affordability of homebuyers impacted by both interest rate hikes and an increase in construction costs.
- o **Credit card, personal loans and others** increased by 8.3%, or Baht 13,066 million, from the end of December 2022, corresponding to the robust domestic consumption and year-end seasonal spending in particular.
- o **ASEAN loans**, which mainly encompassed consumer finance products, increased by 54.0%, or Baht 36,919 million for the year. This robust expansion was largely attributed to the Bank's ASEAN business expansion strategy, which resulting in the successful consolidations of consumer finance loan portfolios in Vietnam, the Philippines, and Indonesia in 2023.

ASSET QUALITY

Loan Classification

Consolidated (Million Baht)	Dec. 31, 23		Dec. 31, 22	
	Loan to Customers and Accrued Interest Receivable	Allowance for ECL	Loan to Customers and Accrued Interest Receivable	Allowance for ECL
Stage 1 (Performing)	1,799,141	32,430	1,743,186	38,474
Stage 2 (Under-performing)	166,611	23,602	161,442	19,409
Stage 3 (Non-performing)	65,933	33,038	56,714	29,968
POCI (Purchased or Originated Credit-Impaired)	85	0	0	0
Total	2,031,770	89,070	1,961,342	87,851

Non-performing Loans*

Consolidated	Dec. 31, 23	Dec. 31, 22
Non-performing Loans (Million Baht)	61,481	53,875
NPL Ratio	2.53%	2.32%
Non-performing Loans by Segment		
Corporate	0.7%	0.8%
SMEs	4.8%	5.2%
Retail	4.2%	3.5%
Hire Purchase	2.4%	2.3%
Mortgage	5.2%	5.1%
Personal Loans, Credit Card and Others	4.2%	4.5%
ASEAN	8.6%	2.1%
Coverage Ratio	149.1%	167.4%

* Excluding accrued interest in accordance with the BOT's guideline

Krungsri continued to be vigilant on risk management practices together with ongoing efforts to resolve NPLs. To this end, the Bank sold Baht 3,894 million of NPLs in 2023.

As of December 31, 2023, gross NPLs stood at Baht 61,481 million, representing an increase of Baht 7,606 million, or 14.1% from the end of December 2022. The development in gross NPLs was in part resonated the Bank's rigorous and prudential risk management practices particularly for overseas subsidiaries.

The NPL ratio was at 2.53% as of the end of December 2023, compared to 2.32% at the end of December 2022.

The coverage ratio moderated to 149.1% at the end of December 2023, compared to 167.4% at the end of December 2022.

Liabilities and Shareholders' Equity

Consolidated (Million Baht)	Dec. 31, 23	Dec. 31, 22	Change (%)
Liabilities	2,396,841	2,295,192	4.4
Deposits	1,839,601	1,804,692	1.9
Interbank and money market items	323,996	289,977	11.7
Derivative liabilities	32,839	37,340	(12.1)
Debt Issues and Borrowings	104,217	98,199	6.1
Others	96,188	64,984	48.0
Total Bank's Equity	368,454	340,919	8.1
Total Shareholders' Equity	371,454	341,759	8.7
Book Value per Share (Baht)	50.50	46.46	

As of December 31, 2023, total liabilities stood at Baht 2,396,841 million, representing an increase of Baht 101,649 million, or 4.4%, from the end of December 2022. Key items are as follows:

- Deposits increased by Baht 34,909 million, or 1.9%, largely due to time deposits, offset by a decrease in savings deposits.
- Interbank and money market items increased by Baht 34,019 million, or 11.7%, driven by an increase in loans from financial institutions.

- Other liabilities increased by Baht 31,204 million, or 48.0%, mainly from accrued expenses and accrued interest payable, margin calls from counterparties, and account payable.

As of December 31, 2023, total Bank's equity stood at Baht 368,454 million, representing an increase of Baht 27,535 million, or 8.1%, from the end of December 2022 due to an increase in net profit of the Bank's equity holders by Baht 32,929 million in 2023, which was partially offset by dividends paid of Baht 6,252 million.

Book value per share as of December 31, 2023, increased to Baht 50.50 from Baht 46.46 at the end of December 2022.

FUNDING STRUCTURE

Deposits

Consolidated (Million Baht)	Dec. 31, 23	Dec. 31, 22	Change (%)
Current	50,424	50,344	0.2
Savings	961,051	1,099,683	(12.6)
Time	826,773	654,665	26.3
< 6 Months	321,399	358,756	(10.4)
6 Months and < 1 Year	39,929	13,503	195.7
1 Year and over 1 Year	465,445	282,406	64.8
Certificate of deposit	1,353	0	-
Total Deposits	1,839,601	1,804,692	1.9
Proportion of Current and Savings Deposits	55.0%	63.7%	

As of December 31, 2023, total deposits stood at Baht 1,839,601 million, representing an increase of Baht 34,909 million, or 1.9%, from the end of December 2022, mainly due to an increase in time deposits, notably an increase in time deposits with a tenor of one year and more, offset by a decrease in savings deposits.

As a result, the proportion of current and savings deposits (CASA) as a percentage of total deposits decreased to 55.0%, compared with 63.7% at the end of December 2022.

Borrowing

Consolidated (Million Baht)	Dec. 31, 23	Dec. 31, 22	Change (%)
Debenture	38,322	30,289	26.5
Subordinated debenture	61,364	61,439	(0.1)
Other	4,531	6,471	(30.0)
Total Borrowing	104,217	98,199	6.1

As of December 31, 2023, total borrowing stood at Baht 104,217, representing an increase of Baht 6,018 million, or 6.1%, mainly from the new issuance of Krungsri Group's debentures, which exceeded the redemption amount, offset by a decrease in other borrowing.

Liquidity

Consolidated	Dec. 31, 23	Dec. 31, 22
Loan to Deposit Ratio	110%	108%
Loan to Deposit and Debenture Ratio	107%	106%

The loan to deposit ratio and the loan to deposit plus debentures ratio increased to 110% and 107%, respectively, compared with 108% and 106% at the end of December 2022.

Contingencies

Consolidated (Million Baht)	Dec. 31, 23	Dec. 31, 22	Change (%)
Avals to bills and Guarantees of loans	5,766	3,987	44.6
Liability under unmatured import bills	2,557	3,108	(17.7)
Letters of credit	7,004	7,911	(11.5)
Other Contingencies	142,285	149,816	(5.0)
Total Contingencies	157,612	164,822	(4.4)

Krungsri Group's contingencies as of December 31, 2023, totaled Baht 157,612 million, a decrease of Baht 7,210 million, or 4.4%, from the end of December 2022, mainly due to a decrease in firm commitment and, offset by an increase in liabilities under collateral delivered, unused credit line and guarantees of loans.

Statutory Capital

As of December 31, 2023, Krungsri's capital (Bank only) stood at Baht 309,115 million, equivalent to 18.24% of risk-weighted assets, comprising Common Equity Tier 1 (CET1) capital and Tier 1 Capital of 13.56% and Tier 2 capital of 4.68%.

The current level of capital is well above the minimum regulatory capital requirements which include the capital conservation buffer and higher loss absorbency (the additional CET1) requirement for Domestic Systemically Important Banks (D-SIBs).

Bank only	Capital Fund (Million Baht)		Capital Adequacy Ratio	
	Dec. 31, 23	Dec. 31, 22	Dec. 31, 23	Dec. 31, 22
Common Equity Tier 1	229,727	221,435	13.56%	13.23%
Tier 1 Capital	229,727	221,435	13.56%	13.23%
Tier 2 Capital	79,388	79,269	4.68%	4.74%
Total Capital Fund	309,115	300,704	18.24%	17.97%

CREDIT RATINGS

The Bank's credit ratings assigned by Moody's Investors Service, Standard & Poor's, Fitch Ratings, and TRIS Rating are shown in the table below.

Moody's Investors Service	
Bank Deposit-Long Term	A3
Bank Deposit-Short Term	P-2
Baseline Credit Assessment (BCA)	baa2
Outlook	Stable
Standard & Poor's	
Long-term Issuer Credit Rating	BBB+
Short-term Issuer Credit Rating	A-2
Long-term Senior Debt	BBB+
Stand-alone Credit Profile (SACP)	bb
Outlook	Stable
Fitch Ratings	
<u>International Ratings</u>	
Long-term Issuer Default Rating	BBB+
Short-term Issuer Default Rating	F1
Viability Rating	bbb
Outlook	Stable
<u>National Ratings</u>	
Long-term Rating	AAA (tha)
Long-term Debenture	AAA (tha)
Short-term	F1+(tha)
Subordinated Debt	AA (tha)
Outlook	Stable
TRIS Rating	
Company Rating	AAA
Issue Rating-Senior Unsecured	AAA
Stand-alone Credit Profile (SACP)	aa
Outlook	Stable

GENERAL INFORMATION AND OTHER IMPORTANT INFORMATION

REFERRAL PARTIES

Name, office, telephone and facsimile of referral parties:

Registrar

- Ordinary shares : Thailand Securities Depository Co., Ltd.
The Stock Exchange of Thailand Building,
93 Rachadapisek Road, Din Daeng, Bangkok 10400
Tel: 0-2009-9999, Fax: 0-2009-9991
- Subordinated Instrument No. 1/2019 : Bank of Ayudhya PCL
- Subordinated Instrument No. 1/2021 1222 Rama III Road, Bang Phongphang,
- Subordinated Instrument No. 1/2022 Yan Nawa, Bangkok 10120
- Subordinated Instrument No. 2/2022 Tel: 0-2296-5999, Fax: 0-2683-1302
- Long Term Debenture No. 1/2023 TRANCHE 1
- Long Term Debenture No. 1/2023 TRANCHE 2
- Long Term Debenture No. 2/2023 TRANCHE 1
- Long Term Debenture No. 2/2023 TRANCHE 2

Debenture Holder Representative

- Subordinated Instrument No. 1/2019 : None
- Subordinated Instrument No. 1/2021 : None
- Subordinated Instrument No. 1/2022 : None
- Subordinated Instrument No. 2/2022 : None
- Long Term Debenture No. 1/2023 TRANCHE 1 : None
- Long Term Debenture No. 1/2023 TRANCHE 2 : None
- Long Term Debenture No. 2/2023 TRANCHE 1 : None
- Long Term Debenture No. 2/2023 TRANCHE 2 : None

Auditors:

Mr. Chavala Tienprasertkit Certified Public Accountant Registered No. 4301
Mr. Kasiti Ketsuriyongk Certified Public Accountant Registered No. 8833
Ms. Nisakorn Songmanee Certified Public Accountant Registered No. 5035
Ms. Darunee Chandra Certified Public Accountant Registered No. 8625

Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
11/1 AIA Building, Sathon Tower, Floor 23-27, South Sathon Road,
Yan Nawa, Sathon, Bangkok 10120
Tel: 0-2034-0000 Fax: 0-2034-0100

Legal Advisors:

Mr. Trakul Winitnaitapak
Pol. Gen. Sakda Techakriengkrai

Bank of Ayudhya PCL
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Tel: 0-2296-3874, 0-2296-3881 and 0-2296-3882, Fax: 0-2683-1436

LEGAL DISPUTES

Krungsri has legal disputes filed by third parties, and most lawsuits are in the court proceedings. However, it does not appear that such lawsuits have had any negative impact on Krungsri's assets more than 5 percent of the shareholder's equity at the end of the latest accounting year, or significantly affected Krungsri business operations, or did not result from Krungsri's normal business conduct.

DISTRIBUTION NETWORK

BANK OF AYUDHYA PUBLIC COMPANY LIMITED

(AS OF DECEMBER 31, 2023)

HEAD OFFICE

1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120

Telephone:

0-2296-2000

Krungsri Call Center:

1572

Facsimile:

0-2683-1304

Website:

www.krungsri.com

BRANCH AND FINANCIAL SERVICES CENTERS

Number of branches in Thailand*	590
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Greater Bangkok and Vicinity	257
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Upcountry	333
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Number of branches outside Thailand	1
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Foreign Currency Exchange Booths	42
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Exclusive Banking Zones	50
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Private Banking Center	1
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Remark: * For more information, please visit our website (www.krungsri.com).

COMPANIES IN KRUNGSRI GROUP

SUBSIDIARIES AND JOINT VENTURES

Krungsri Ayudhya AMC Ltd.

Bank of Ayudhya PCL Head Office, Floor 11
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Telephone: 0-2296-4100, Facsimile: 0-2683-1400

Krungsri Nimble Company Limited

Bank of Ayudhya PCL Head Office, Floor 21
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Telephone: 0-2208-2849

Ayudhya Development Leasing Co., Ltd.

Krungsri Ploenchit Office, Floor 14
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone: 0-2208-2300, Facsimile: 0-2208-2274

Ayudhya Capital Auto Lease PCL

Krungsri Ploenchit Tower, 16 Floor
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone: 0-2627-6010, 0-2740-7400
Facsimile: 0-2627-8211

Krungsriayudhya Card Co., Ltd.

Krungsri Ploenchit Tower,
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone: 0-2646-3000, Facsimile: 0-2646-3001

Ayudhya Capital Services Co., Ltd.

Krungsri Ploenchit Tower,
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone: 0-2627-8000

General Card Services Limited

Krungsri Ploenchit Tower,
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone: 0-2627-8111, Facsimile: 0-2627-8381

Lotus's Money Services Limited

Krungsri Ploenchit Tower,
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone: 1712, Facsimile: 0-2627-8615

Lotus's General Insurance Broker Limited

Krungsri Ploenchit Tower,
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone: 0-2627-8888, Facsimile: 0-2627-8611

Lotus's Life Assurance Broker Limited

Krungsri Ploenchit Tower,
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone: 0-2627-8888, Facsimile: 0-2627-8611

Krungsri General Insurance Broker Limited

Krungsri Ploenchit Tower,
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone: 0-2627-8029, Facsimile: 0-2627-4117

Krungsri Genesis Company Limited

Krungsri Ploenchit Tower,
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone: 0-2627-8028, Facsimile: 0-2627-4117

Total Services Solutions Plc.

Bangna Tower B Building
2/3 Moo 14, Bangna-Trad Road, K.M. 6.5
Bangkaew, Bangplee, Samutprakarn 10540
Telephone: 0-2714-5199, Facsimile: 0-2777-0009

Krungsri Leasing Services Co., Ltd.

196, Unit 12, Khampeangmeuang Road,
Phonthan Village, Xaysettha District
Vientiane Capital, Lao PDR.
Telephone: +856 2128 6100

Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd.

197, Unit 12, Khampeangmueng Road,
Phonthan Village, Xaysettha District
Vientiane Capital, Lao PDR.
Telephone: +856 2128 6336

Ngern Tid Lor PCL.

Ari Hills Building, Floor 11
428 Phahonyothin Road,
Samsennai, Phayathai, Bangkok 10400
Telephone: 08-8088-0880

Krungsri Securities PCL

898 Ploenchit Tower Floor 3
Ploenchit Road, Pathumwan, Bangkok 10330
Telephone: 0-2659-7000, Facsimile: 0-2646-1100

Krungsri Asset Management Co., Ltd.

898 Ploenchit Tower Floor 1-2 Zone A,
and Floor 12, 18 Zone B Ploenchit Road,
Pathumwan, Bangkok 10330
Telephone: 0-2657-5757, Facsimile: 0-2657-5777

Krungsri Finnovate Co., Ltd.

Bank of Ayudhya PCL Head Office, Floor 21
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Telephone: 0-2627-4812

Siam Realty and Services Security Co., Ltd.

Bank of Ayudhya PCL Head Office (Tower C Floor 5A)
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Telephone: 0-2296-3435, 0-2296-3496
Facsimile: 0-2296-2369

Hattha Bank PLC.

606, Street 271, Phum Sansam Kosal 3,
Sangkat Boeng Tumpun 1, Khan Mean Chey,
Phnom Penh, Kingdom of Cambodia

Hattha Services Co., Ltd.

606, Street 271, Phum Sansam Kosal 3,
Sangkat Boeng Tumpun 1, Khan Mean Chey,
Phnom Penh, Kingdom of Cambodia

SB Finance, Inc.

849 Keyland Arnaiz Building, Antonio Arnaiz Avenue,
Makati City, Philippines

HC Consumer Finance Philippines, Inc.

14th, 15th, 20th flr, Ore Central, 9th avenue cor 31st street,
Bonifacio Global City, Fort Bonifacio, Taguig City, NCR,
Philippines 1634
Telephone: +63 (02) 7753 5700, +63 0917 638 0428

HCPH Financing 1, Inc.

35F Penthouse, Unit 4, Eco Tower,
32nd corner 9th avenue, Bonifacio Global City,
Taguig City, Philippines 1634
Telephone: +63 (02) 883 6010, +63 0917 801 6941

HCPH Insurance Brokerage, Inc.

35F Penthouse, Unit 4, Eco Tower,
32nd corner 9th avenue, Bonifacio Global City,
Taguig city, Philippines 1634
Telephone: +63 (02) 883 6010, +63 0917 801 6941

SHBank Finance Company Limited

Floor 5, 6 Gelex Building, 52 Le Dai Hanh,
Le Dai Hanh Ward, Hai Ba Trung District,
Hanoi City, Vietnam 100000
Telephone: +84 (024) 7109 8888
Facsimile: +84 (024) 7107 7688

PT. Home Credit Indonesia

Plaza Oleos Jalan TB Simatupang
53A, RT.2/RW.1 Pasar Minggu, Jagakarsa,
RT.2/RW.1 RT.2, RT.2/RW.1, Kebagusan,
Jakarta, Indonesia 12520
Telephone: +62 2129 539 655, Facsimile: +62 2122 780 155

Krungsri Capital Securities PCL.

25 Bangkok Insurance Building, 15th - 17th Floor,
South Sathorn Road Thungmahamek, Sathorn,
Bangkok 10120
Telephone: 0-2638-5000, 0-2081-2000
Facsimile: 0-2081-2001

COMPANIES THAT THE BANK HOLD SHARES OF 10 PERCENT BUT LESS THAN 20 PERCENT

P.P. Parawood Co., Ltd.

111/1 Moo 1 Ban Chang Subdistrict,
Phanatnikom, Chonburi 20140
Telephone: (038) 464-270-73

Rent Trade and Service Co., Ltd.

UM Tower,
9/222-224, Ramkhamhaeng Road,
Suanluang, Bangkok 10250
Telephone: 0-2017-7200, Facsimile: 0-2017-7201

COMPANIES WITH SHARES ACQUIRED THROUGH DEBT RESTRUCTURING

Lenso Phonecard Co., Ltd.

292 Srinakarin Road, Huamark, Bangkok,
Bangkok 10240
Telephone: 0-2351-8116, Facsimile: 0-2351-8009

UMC Metals Limited

32/40 Sino-Thai Tower, Floor 16,
Sukhumvit 21 Road (Asok)
North Klongteoy, Wattana, Bangkok 10110
Telephone: 0-2259-2942-5, Facsimile: 0-2259-2946



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CORPORATE GOVERNANCE

GOOD CORPORATE GOVERNANCE PRINCIPLES

The Board of Directors recognizes that good corporate governance is a foundation for the sustainable growth of the organization and one of the significant elements facilitating the organization's competitiveness and effective adaptation under a dynamic environment, as well as an important factor that has led Krungsri to success as a leader in the Thai financial sector in line with sustainable banking. Krungsri has adhered to a culture of responsible business practices, covering social, environmental, and governance dimensions for strong and sustainable growth, while operating the business in accordance with its mission, 'To be a leading regional financial institution with global reach, committed to responsibly meeting the needs of customers and serving society through sustainable growth', while creating a good long-term performance.

In this regard, Krungsri attaches importance and adheres to good corporate governance criteria stipulated by regulatory bodies, i.e., the Bank of Thailand, the Securities and Exchange Commission, Thailand, the Stock Exchange of Thailand, and the Thai Institute of Directors Association, as well as in accordance with the Banking Industry Code of Conduct including the international corporate governance criteria, namely, the ASEAN Corporate Governance Scorecard. The Good Corporate Governance Principles of Krungsri have been established, as well as policies and practices in various fields that are consistent with those rules. The Board of Directors also regularly ensures that oversight mechanisms are in place to ensure compliance with requirements in any matter that has not yet been established as a policy or practice, and that there has been a review of the appropriateness of the operation, including assignments and a follow-up process for relevant departments to consider proceeding in accordance with Krungsri's business.



In addition, Krungsri has also established 'the Spirit and the Letter' (S&L), which serves as business ethics, as a principle with integrity, adherence to correctness within the law and corporate governance framework. The S&L has been being communicated through various channels to ensure that the directors, executives, and all employees are aware of what they must recognize, conduct and concern, including, consequences of violations. Moreover, all employees are required to sign and acknowledge their commitment to comply with the S&L via the S&L Compliance Excellence in April of every year. Furthermore, each department and subsidiaries are required to appoint a Compliance Champion and Compliance Representatives respectively to serve as a focal point of communication and the promotion of knowledge/understanding to comply with relevant laws and regulations as well as to be a part in creating organizational culture with strong governance, starting from internal business units who act as the first line of defense that need to understand an important of compliance area, and coordinate with Compliance Group who act as the second line of defense. In 2023, there were no cases of violations related to the organization's ethics and integrity.

GOOD CORPORATE GOVERNANCE PRINCIPLES AND GUIDELINES

Governance Principles and Guidelines of Krungsri cover eight practices according to the Thai Corporate Governance Code for Listed Companies 2017 prescribed by the Securities and Exchange Commission, and Krungsri has made implementations in compliance with such criteria as follows:

PRACTICE 1: TO BE AWARE OF THE BOARD OF DIRECTORS' ROLES AND RESPONSIBILITIES AS THE ORGANIZATION LEADER THAT CREATES SUSTAINABLE VALUE FOR THE ORGANIZATION

The Board of Directors undertakes the fiduciary duties of overseeing the management in alignment with applicable laws, the Bank's objectives and Articles of Association, the resolutions of the Board of Directors and shareholders' meeting, as well as the Good Corporate Governance Principles, while the executives manage the organization under exemplary morals and ethics and play key roles in promoting good governance for the organization.

The Board of Directors has determined objectives, goals, strategies, policies, and directions of the business operations, including overseeing, inspecting, and following up on their implementation by the management to ensure transparency, compliance with laws, and sustainable growth with responsibilities toward environment, society, and stakeholders, and being under good corporate governance as well as ensuring that the management regularly reports the operating performance. This is to ensure the maximum overall benefit for Krungsri and its shareholders.

▶ SETTING OF ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGEMENT

- Krungsri has clearly separated the roles and responsibilities of the Board of Directors and the management whereby the Chairman of the Board and the President and Chief Executive Officer cannot be the same person. Roles and responsibilities of the Board of Directors, Chairman of the Board, the President and Chief Executive Officer, and the executives are clearly specified in the Good Corporate Governance Principles.
- Krungsri clearly stipulates the approval authority of the Board of Directors with respect to significant matters in accordance with laws, the Bank's Articles of Association, and guidelines, such as important policies for Krungsri Group's operations, the annual operating plan, and budget.

Details are shown in the Annual Registration Statement/ Annual Report (Form 56-1 One Report) under the topic, 'Management Structure'.

▶ GOOD CORPORATE GOVERNANCE PRINCIPLES

- Krungsri has established 'Good Corporate Governance Principles' (the Principles) to be used as the policy and guidelines for supervision of the business operations of Krungsri, to which the directors, executives, and employees shall adhere. The Principles are filtered by the Executive Committee and the Risk and Compliance Committee before being proposed to the Board of Directors for approval. The Principles shall be reviewed on an annual basis or without delay in case of any significant change. This is to ensure the appropriateness of the Principles in changing circumstances, and their alignment with relevant regulations of the regulatory bodies, Krungsri's organizational structure, and the environmental situation of corporate governance of Krungsri Group.

- The Principles' contents cover various significant matters, e.g., shareholders' rights and their equitable treatment, information disclosure and transparency, composition and qualifications of the Board of Directors, roles and responsibilities of the Chairman, the Board of Directors, and the oversight committees as well as those of the President and Chief Executive Officer and executives, internal control and internal audit systems, and Krungsri Group's business philosophy and roles with regard to the stakeholders and Employees' Code of Conduct and compliance.
- Krungsri disseminates and promotes the Principles through internal communications as well as Krungsri's website under the topic of corporate governance in order for the directors, executives, employees, and related persons to study and adhere to them. There are activities to promote comprehensive understanding amongst employees.
- Krungsri has developed a compulsory course of Good Corporate Governance via Krungsri Learning Companion (KLC). All executives and employees must complete the course every two years or whenever it is significantly updated. Course participants must pass tests with a score meeting the benchmark.
- In order to be in line with the Board of Directors' resolution, Krungsri communicates the Principles including the annual revision to its subsidiaries so that they can adopt them or create their own good corporate governance principles in accordance with the nature of their businesses; doing so also strengthens the operations of Krungsri Group. In addition, Krungsri has published and communicated information to create knowledge and understanding within Krungsri Group so that everyone can follow the principles of good corporate governance correctly through various channels on the topic, KRUNGSRI GROUP CG CORNER.

PRACTICE 2: SPECIFY MAIN OBJECTIVES AND TARGETS OF THE ORGANIZATION TO BE SUSTAINABLE

Krungsri drives toward 'Sustainable Banking' by adhering to 'Responsible Lending', in order to achieve the aspirations set for good corporate governance as well as achieving the goals of the Medium-Term Business Plan, as part of working toward its aspiration of being 'the preferred Thai bank connecting customers' needs across ASEAN'. Krungsri has emphasized that all business units within the organization deliver products and services by adhering to three main

principles: 'Trust, Integrity, and Reliability', which together are the cornerstone of business and operations.

► DETERMINE MISSION, VISION, CORE VALUES, AND MEDIUM-TERM BUSINESS PLAN

- The Board of Directors clearly determines Krungsri's mission and vision, which are announced to all employees for acknowledgement and as guidelines for accomplishing their work as targeted. The Board of Directors normally reviews the mission, vision, and core values on an annual basis to ensure alignment with any change in circumstances including considering various factors and risks that may affect relevant stakeholders throughout the value chain of Krungsri.
- The Board of Directors has conducted the second Medium-Term Business Plan, which is a strategic framework formulated for business operations over three years and shall be reviewed annually to ensure correspondence with the prevailing conditions. In addition to ensuring that the management communicates the Medium-Term Business Plan to the executives and employees of Krungsri, there is also control and monitoring of the management's work in accordance with the strategies and plans formulated and to ensure that the operating results are reported in comparison with the strategic plans set forth at the Board of Directors' meetings on a monthly and quarterly basis.
- Directors are committed to operating in accordance with the mission and the Medium-Term Business plan while formulating strategies to strengthen Krungsri's ability to cope with the impact of various situations effectively. The Board of Directors has therefore encouraged the development of innovation and financial technology, taking into account the changing environment, and customer needs and behavior, including expectations of all stakeholder groups.
- Krungsri has set an investment plan to enhance technology and digital to support the implementation of Krungsri's Medium-Term Business Plan, transitioning to Banking as a Service, such as international money transfers and the Pilot Retail CBDC project that has developed the CBDC Krungsri mobile application for testing the use of digital currencies in the public sector, issued by the Bank of Thailand. This included the application of AI/ML technology to increase efficiency in offering products and services to customers that align the business and lifestyle needs of both retail and business customers. In addition, Krungsri has modernized its information technology infrastructure

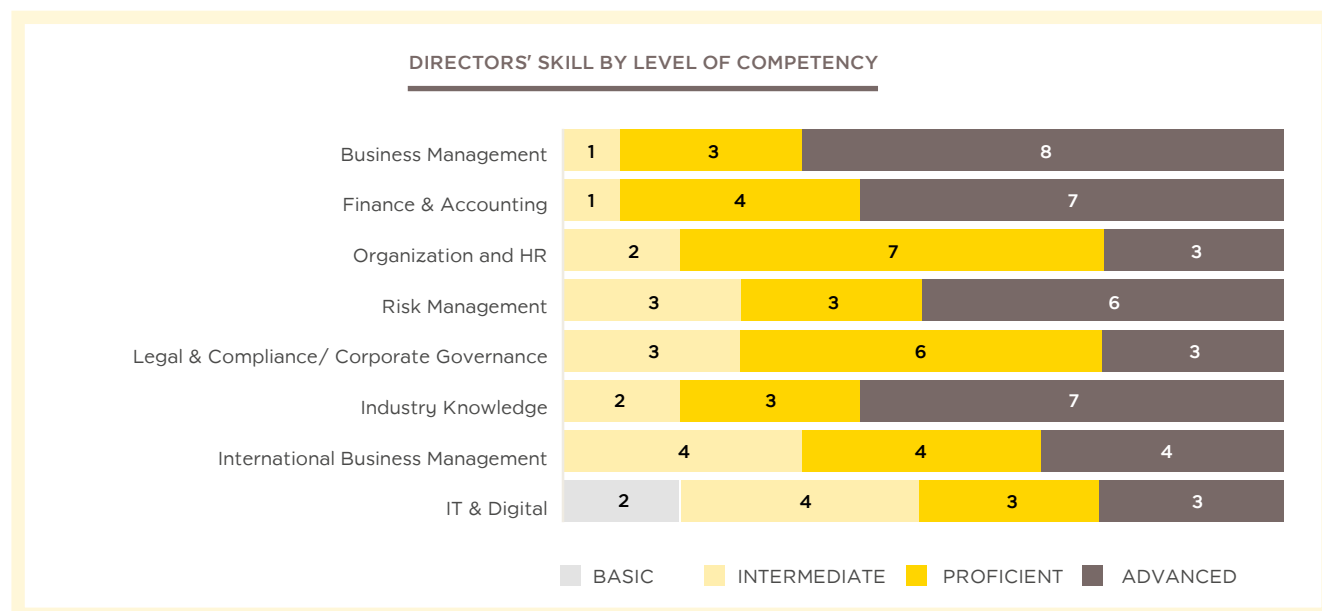
to be in line with the changing technology. This included upgrading the Core Banking to enhance flexibility and increase competitiveness, enabling it to respond quickly and easily to changing customer needs. It also aimed to reduce the cost of developing applications in the future.

- The Board of Directors has also promoted the development of new business models, including financial innovations that can benefit the environmental, social, and governance (ESG) matters to increase opportunities for Krungsri to enjoy sustainable growth and flexibility in any situation that may arise.

PRACTICE 3: ENHANCE THE BOARD OF DIRECTORS' EFFICIENCY

- The Board of Directors comprises 12 directors (including three female directors, one of whom is an independent director): five non-executive directors, two executive directors, and five independent directors who possess qualifications according to the definition of independent director as specified by Krungsri in compliance with the Notification of the Capital Market Supervisory Board with a more stringent criterion on shareholding percentage and comprise at least one-third of the board. At present, Krungsri has five independent directors, more than what is required by law.

- The Chairman of the Board of Directors is an independent director and is not the same person as the President and Chief Executive Officer. The Chairman also plays an important role in overseeing and supporting the Board of Directors so that the directors can fully perform their duties according to the designated directions and strategies. In this regard, Krungsri has clearly defined the roles, duties, and responsibilities of the Chairman of the Board of Directors in the Good Corporate Governance Principles.
- Krungsri stipulates that an independent director shall hold their position for no more than nine consecutive years from the date of first appointment as an independent director, according to the Bank of Thailand Notification Re: Corporate Governance of Financial Institutions. Presently, no director serves more than nine years.
- Currently, Krungsri's Board of Directors consists of members having diversified traits in terms of knowledge, experience, race, nationality, gender, and age, as well as having proficiencies beneficial to Krungsri that are aligned with the Board Skills Matrix established by the Bank in accordance with the corporate governance of financial institutions and financial business groups stipulated by the Bank of Thailand in order to understand and respond to the needs of all stakeholders. Also, all non-executive directors (excluding independent directors) have experience in financial institution management.



AVERAGE RATE OF COMPETENCIES

(Score out of 4.00)

Area of competencies	Business Management	Finance & Accounting	Organization and HR	Risk Management	Legal & Compliance/ Corporate Governance	Industry Knowledge	International Business Management	IT & Digital
Average score	3.58	3.50	3.08	3.25	3.00	3.42	3.00	2.58

► NOMINATION AND REMUNERATION OF THE DIRECTORS

- Nomination of directors is carried out by the Nomination and Remuneration Committee whereby individual qualifications and other prerequisites as stipulated in relevant laws, regulations of Krungsri's regulators, and the Bank's Articles of Association, and in line with international good corporate governance principles as well as Board diversity which includes knowledge, experience and necessary skills, gender, age, and specialized proficiencies beneficial to the implementation of Krungsri's business strategies, are all taken into consideration.
- Krungsri has established and applied a Board Skills Matrix to ensure that the entire Board of Directors is qualified and has appropriate expertise, and to support the determination of skills and qualifications of nominated persons in line with the organization's strategies and goals. In addition, the Board Skills Matrix assists in the creation of a director development plan. The Board of Directors shall consist of at least five directors and the number of independent directors as required by law. The Board shall have diverse board composition (board diversity) in terms of knowledge, experience, gender, and age, with no race- or nationality-based discrimination. The Board should be comprised of members having skills and competencies according to the specified Board Skills Matrix including business management, industry knowledge, legal/compliance and corporate governance, finance and accounting, IT and digital, risk management, organization and HR, and international business management, with at least one director for each area of competency.
- Krungsri has created its own director pool by collecting name lists from various sources, e.g., the Thai Institute of Directors Association Chartered Director (IOD Chartered Director), as supporting information when searching for candidates for nomination. Finally, Krungsri has also hired a professional search firm to help recruit and select qualified persons to serve as directors.
- Krungsri-disclosed criteria of director nomination and appointment appear in the Annual Registration Statement/Annual Report (Form 56-1 One Report) under the topic, 'Nomination and Appointment of Directors and Senior Executives'.

► POSITIONS OF THE DIRECTORS IN OTHER COMPANIES

- Regarding serving as chairman, executive director, or authorized signatory director in other companies, directors

are permitted to hold such position(s) but not in more than three other business groups, and can serve as a director of a company listed on domestic and overseas stock exchanges for no more than five companies. Directors must exercise due care to prevent any impact on their performance as a director. Currently, Krungsri does not have any directors who serve in a director position in more than five listed companies.

► BOARD OF DIRECTORS MEETING

- A Board of Directors meeting is held at least once a month, with the meeting date and important agendas for each meeting set in advance for the entire year. In case of necessity or urgency, an extraordinary meeting may be called on occasion as determined by the Chairman of the Board.
- The Chairman of the Board and the President and Chief Executive Officer have the duty to jointly consider matters to be included in the agendas of Board of Directors meetings. However, other directors including independent directors and the management team, who are free to propose agenda items that may be beneficial to the Bank to the meeting, are also given the opportunity to review and provide an opinion on the agenda items before a notification of each meeting is delivered to all directors. In this regard, the directors may propose agenda items to the meeting by informing the Chairman of the Board, the President and Chief Executive Officer, or the Corporate Secretary.
- Notifications of the Board of Directors meeting, agenda, and supporting documents will be delivered via email to all directors and uploaded on the e-document system, which can be accessed from provided tablets. The agenda proposed to the Board will be set after the meeting of the Executive Committee, which acts as a gatekeeper, each week and/or at least seven days prior to the meeting date, to ensure that the directors have sufficient time to review the agenda items. If the directors require additional information or documents, they can make such requests to the executive directors or the Corporate Secretary.
- Every director is obligated to attend every Board of Directors meeting, unless they have imperative business such as a meeting with a government agency or an overseas business trip, or have fallen ill.
- A meeting requires no less than half of all directors to constitute a quorum, and a resolution of the meeting shall be passed by majority vote. In case of a tie vote, the Chairman shall have an additional vote to break the tie.

In compliance with the Good Corporate Governance Principles, a quorum of at least two-thirds is required at the time of voting for the Board decisions.

- Each Board of Directors' meeting takes an average of four hours. The Chairman of the Board provides an opportunity for all directors to be fully independent in making inquiries and suggestions, and to debate and express their opinions, to ensure prudent discretion. The senior executives and officers involved in the matter are also invited to answer questions, as well as receive suggestions and observations made by the Board of Directors.
- The meeting minutes identify in clear and sufficient detail the date and time that the meeting was declared open and closed, lists of attending and absent directors, summary of the agenda, issues discussed, and recommendations of the Board of Directors, including explanations from the management, and resolutions of the Board of Directors meeting. The meeting minutes are signed by the Chairman of the meeting and the minutes taker. In addition, any director having a conflict of interest in any agenda item will neither join the consideration nor vote on that particular item. In this regard, the Corporate Secretary normally checks information on conflicts of interest in advance and notifies all directors prior to the meeting, and records such data in the meeting minutes. In addition, when holding an e-Meeting, there is a record in the meeting minutes as stipulated by law, i.e., identification of the meeting participants, presenters' name list, and meeting administrators' name list. In this regard, the attending directors' name list will be recorded separately between the directors who attend in person and the directors who attend via electronic means.
- After the minutes are adopted by the meeting, the Corporate Secretariat Department is responsible for dispatching copies of the meeting minutes to the relevant internal and external units within the prescribed time, and safekeeping the same in the form of hard and soft copies for future reference and audit. No amendment to the meeting minutes can be made without approval from the Board of Directors meeting.
- The Board of Directors encourages non-executive directors to organize meetings among themselves to independently discuss various issues without management's presence, i.e., matters covering organizational culture, human resources management, and future business direction, and to present a summary of their opinions to the President and Chief Executive Officer for acknowledgement.

► PERFORMANCE EVALUATION

Krungsri arranges for the performance evaluation of the Board of Directors and the oversight committees on an annual basis in order to ensure that their duties are fulfilled in accordance with the Principles. In addition, the evaluation gives them an opportunity to review their performance, analyzing various difficulties during the previous year for further improvement.

• The Performance Evaluation of the Board of Directors

Criteria: Types of performance evaluation of the Board of Directors are as follows: 1) Board Evaluation; 2) Self-Evaluation; and 3) Cross-Evaluation. The evaluation forms, which are designed in accordance with the guidelines of the Stock Exchange of Thailand as well as aligning with the characteristics and structure of the Board of Directors, shall be proposed to the Nomination and Remuneration Committee and the Board of Directors for consideration and approval, respectively. The evaluation topics are as follows:

- Board Evaluation
 1. Structure and characteristics of the Board
 2. Roles and responsibilities of the Board
 3. Board meetings
 4. The Board's performance of duties
 5. Relationship with management
 6. Self-development of directors and executives
- Individual Self-Evaluation and Cross-Evaluation
 1. Qualifications and expertise of the director
 2. Roles and responsibilities of the director. In case of the Chairman, the evaluation form includes additional topics regarding the Chairman's duties.
 3. Board meetings

Processes: Upon approval of forms as mentioned above, the Corporate Secretariat Department will send all three types of electronic evaluation form which have been approved to every director for evaluation, then gather all completed forms for summarizing the overall result including their comments or suggestions, and report to the Nomination and Remuneration Committee and the Board of Directors so that they can discuss solutions to enhance operational efficiency for maximum benefit. In addition, the overall individual results from cross-evaluation will be presented to each director.

In this regard, the overall result of all three types of 2023 evaluations is 'good'.

• The Performance Evaluation of Oversight Committees

All oversight committees have evaluated their performance as a whole, while the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee have additionally conducted self-evaluation on an individual basis. Their evaluation forms were adopted from assessment guidelines of the Stock Exchange of Thailand and/or the Board of Directors' evaluation form to the extent that is suited to each committee's structure and nature. The evaluation topics and criteria are as follows:

- The evaluation topics of Audit Committee and Nomination and Remuneration Committee (as a whole) and the evaluation topics of Audit Committee, Nomination and Remuneration, and Executive Committee (individual)
 1. Structure and characteristics of the committee
 2. Committee meetings
 3. Roles and Responsibilities of the committee
- The evaluation topics of Risk and Compliance Committee, and Executive Committee (as a whole)
 1. Structure and characteristics of the committee
 2. Roles and responsibilities of the committee
 3. Committee meetings
 4. The committee's performance of duties
 5. Relationship with the Board of Directors/management
 6. Self-development of committee members
- Processes: The secretary of each committee will send an evaluation form to every committee member, then gather all completed forms for summarizing the overall result including their comments or suggestions, and report to the respective committee so that they can discuss solutions to enhance operational efficiency for maximum benefit.

In this regard, the overall result of each committee's evaluation of the two types in 2023 is 'good'.

► DIRECTORS' INDUCTION AND DEVELOPMENT

- Krungsri has conducted an induction for new directors to be prepared before performing their duties, focusing on strategies, plans, goals, the overall nature of business and business operations in various aspects including roles, duties, and responsibilities of directors, as well as necessary information for the director. Furthermore, Krungsri has prepared documents for the director as information for director performance, e.g., director's handbook, and a summary of important laws and regulations on

the e-document system, which can be accessed from provided tablets.

- During their directorship, each quarter, all directors will be provided various training courses held by the Thai Institute of Directors (IOD) relating to the roles and responsibilities of directors, together with specific training courses related to the duties of each individual type of director, e.g., duties of Chairman, Audit Committee members, and Risk and Compliance Committee members, so that each director can consider participation in these courses throughout the year. The Corporate Secretariat Department is responsible for coordinating registration, and Krungsri is responsible for all expenses.
- The Corporate Secretariat Department offers training courses/seminars on information technology and digital, and other topics relevant for directors, for each director to consider and attend training/seminars to continually enhance their skills and knowledge. In addition, in-house training sessions have been organized to provide knowledge to the directors through lectures from internal and external experts on various topics. Details of training and seminars attended by each director are shown in the Annual Registration Statement/Annual Report (Form 56-1 One Report) under the topic, 'Attachment 1'.

► REMUNERATION OF THE DIRECTORS

- Krungsri has established a policy on remuneration of the directors to ensure that it is appropriate and commensurate with the responsibilities of directors in accordance with the size and business operations of Krungsri. In addition, the remuneration policy aligns with Krungsri's performance and brings the maximum benefit to its shareholders, as well as being comparable to peers. In this regard, the Nomination and Remuneration Committee is responsible for review of its appropriateness and proposal to the Board of Directors and the shareholders meeting, respectively, and for approval of the remuneration of the directors and members of the oversight committees, on an annual basis.
- The remuneration is based on position and the type of director, i.e., chairman, vice chairman, non-executive director, and independent director. The remuneration structure consists of a retainer fee, attendance fee, and other annual compensation, including directors' remuneration as members of the oversight committees. In addition, there is no remuneration for executive directors.
- Other benefits, i.e., entitlement to medical benefits and annual health check, and a company car, are in accordance with Krungsri's regulations.



The details of compensation for directors are presented in the Annual Report (Form 56-1 One Report) under the topic titled, 'Remuneration of Directors and Executives'.

► SUPERVISION OF THE SUBSIDIARIES' OPERATIONS

- The Board of Directors has determined frameworks for the overall operations and strategic targets and oversees the mechanisms of compliance and operations of Krungsri Group.
- The Board of Directors has clearly set roles and responsibilities of the management to the President and Chief Executive Officer and senior executives in a Policy for Governing Group Companies, and follows up on assignments' progress.
- Krungsri has established the Policy for Governing Group Companies specifying the nomination of Krungsri's personnel to be directors of the subsidiaries, and their roles and responsibilities. In addition, there is a set of group-wide policies specifying internal controls and important information disclosure of the subsidiaries which is in line with relevant laws and regulations.
- In case of significant investment in other businesses, Krungsri and/or its subsidiaries will make an affiliate agreement for clear management authorities and take part in the decision-making for important matters. Regular performance reports are required for the maximum benefit of Krungsri and/or its subsidiaries, and for the timely conducting of standard financial statements.

► OVERSIGHT COMMITTEES AND MANAGEMENT COMMITTEES

- The Board of Directors appoints oversight committees, i.e., the Nomination and Remuneration Committee, the Audit Committee, the Risk and Compliance Committee, and the Executive Committee, with clearly specified roles and responsibilities in order to assist in the performance of duties. Each member's background and qualifications, the composition of the committees, number of meetings, and individual statistics on meeting attendance are disclosed in the Annual Registration Statement/Annual Report (Form 56-1 One Report).
- Management committees are also appointed to examine and filter related matters before submission to the Board of Directors, such as the Risk Management Committee, the Compliance Committee, and the Sustainability Committee, whose composition, qualifications, roles, and responsibilities are specified in their respective directives.

PRACTICE 4: NOMINATION AND DEVELOPMENT OF SENIOR EXECUTIVES AND PEOPLE MANAGEMENT

► NOMINATION, DEVELOPMENT, AND SUCCESSION PLANS FOR SENIOR EXECUTIVES

- The President and Chief Executive Officer shall propose the nomination/promotion/appointment criteria for Executive Vice President level and above to the Nomination and Remuneration Committee for consideration, whereby its details appear in the Annual Registration Statement/Annual Report (Form 56-1 One Report) under the topic, 'The Nomination of Senior Executives'.
- Krungsri provides opportunities for executives to perform their duties independently under their assigned roles and responsibilities. Moreover, Krungsri provides them training courses in various areas appropriately and on a regular basis, for their personal development and career path as well as business growth and achievement of the sustainability mission statement of Krungsri.
- Krungsri must have a plan and be well-prepared in terms of succession plans for positions deemed vital to business operations so that in the event of a vacancy, a qualified successor can be appointed immediately with no interruption. The President and Chief Executive Officer has therefore proposed the succession plans for senior executives to the Nomination and Remuneration Committee for consideration before proposing to the Board of Directors for approval. The succession plans for senior executives will be reviewed on an annual basis. The succession plan for Krungsri successor readiness is divided into four levels as follows:
 1. Successors who are ready now
 2. Successors who will be ready within one-two years
 3. Successors who will be ready within three-five years
 4. Successors who will be ready in more than five years

Krungsri also designates business contingency plan candidates in case of any immediate change or sudden emergency in an executive position causing a vacancy.

In order to develop successors, Individual Development Plans are prepared for all Krungsri Group executives. Apart from Competency-Based Management, Krungsri has developed a career plan ensuring that executives gain critical experience beneficial for holding key positions in the future, such as job rotation and action learning.

As an internal process, HR periodically facilitates the monitoring of successors' careers and competency development progress through meetings with related executives and committees. In addition, the Chief of Human Resources Officer is responsible for annually reporting both succession and successor development plans to the Board of Directors.

► POSITIONS IN OTHER COMPANIES HELD BY THE PRESIDENT AND CHIEF EXECUTIVE OFFICER, AND SENIOR EXECUTIVES

Krungsri allows the President and Chief Executive Officer and senior executives to hold directorships of no more than five companies of Krungsri Group, whereby the President and Chief Executive Officer shall review the propriety of the appointment and propose the appointment to the Board of Directors for approval via the Nomination and Remuneration Committee. However, they shall not hold directorships of any other listed companies outside Krungsri Group. In case of necessity, approval must be obtained from respective line managers/ Head of Group/ Chief Officer, Chief Human Resources Officer, and the President and Chief Executive Officer.

► THE DETERMINATION OF REMUNERATION STRUCTURE AND PERFORMANCE EVALUATION OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

- The Nomination and Remuneration Committee is responsible for considering and proposing to the Board of Directors for approval on the remuneration of the President and Chief Executive Officer and senior executives; however, executive directors do not participate in considering the remuneration of the President and Chief Executive Officer. Remuneration criteria are stipulated by the Board of Directors.
- Krungsri stipulates a fair, reasonable, and incentivizing remuneration in order to retain proficient executives as well as create long-term value for shareholders. The remuneration is also associated with Krungsri's performance and targets, both short-term and long-term, as well as KPI results of each individual's performance against targets under the Balanced Scorecard criteria, including performance indicators aligning with organizational strategies, and a scope of responsibilities of an individual executive which is comparable to the industry benchmark. As for executives who also serve as members of oversight

committees or the management committees, including directors in any of Krungsri's subsidiaries, they do not receive additional remuneration.

- Krungsri annually conducts a performance assessment of the President and Chief Executive Officer, whereby its criteria, targets, and performance assessment using the Balanced Scorecard are endorsed by the Nomination and Remuneration Committee and in line with Krungsri's objectives, targets, and strategies, as well as short-term and long-term benefits.
- The Board of Directors (except for the executive directors) shall assess the performance of the President and Chief Executive Officer, and the assessment results will be used for considering bonus payment and annual compensation increment. Assessment criteria and results are communicated to the President and Chief Executive Officer.

HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

- Krungsri recognizes that its employees at all levels are valuable resources and key drivers for Krungsri's achievement according to its short-term and long-term business strategies. Krungsri, therefore, sets appropriate human resources management policies, aims for a fair recruitment and selection process, provides proper remuneration and welfare benefits to employees, retains talented employees, promotes career advancement, and continuously enhances employee skills through training, developing a variety of learning programs, and giving employees the opportunity to access learning channels, equally and conveniently, to drive the organization toward the business world in the digital age, and new scenarios on the future of AI, preparing employees to cope with future developments and supporting creative changes toward business growth and achievement of the sustainability mission statement as well as a solid foundation for ASEAN business expansion.
- Krungsri adheres to human rights standards and fair and equitable treatment by establishing fair employment guidelines and the Policy for Human Resource covering equal employment and layoffs, and attaching importance to job qualifications, with non-discrimination in terms of race, gender, religion, and age. Krungsri also ensures strict compliance with labor laws, while also promoting a positive workplace culture and respect for employees' privacy. Details are shown in Krungsri's Sustainability Report under the topic, 'Fair Labor Practices and Respect for Human Rights'.
- Krungsri establishes appropriate and fair remuneration, and the compensation structure is also reviewed annually, considering labor fee criteria together with compensation surveys from other financial institutions, in order to manage the compensation more appropriately and competitively with remuneration of employees of other companies in the industry while being consistent with Krungsri's operations, both short-term and long-term performance.
- In terms of performance evaluation, Krungsri has implemented a Bank-wide process by setting key performance indicators, goals, as well as performance evaluation under the Balanced Scorecard, which covers financial and non-financial perspectives (customer service, social responsibility, internal operations management, and human resources management and development). Corporate KPIs are normally cascaded to Individual KPIs in order to reflect short-term performance and to measure against Krungsri's long-term strategic plan. In this regard, the functions responsible for internal control or audit set KPIs that focus on controlling the Bank's operation in compliance with legal and regulatory requirements, both internally and externally. These functions have proportional objectives and indicators that give significantly more importance to non-financial aspects than financial aspects. In addition, Krungsri has created individual development plans and an executive development program to enhance executives' potential, ensure sufficient readiness and competency for their given duties, and lead the organization to future business growth as well as succession planning and the development of high-potential employees.
- Krungsri provides welfare benefits that exceed legal requirements, which includes other forms of benefits, for the purpose of retaining employees and incentivizing them to perform their duties to support long-term value creation for Krungsri and its shareholders, e.g., establishing a provident fund for employees, to which Krungsri is obliged to make partial contributions, so that employees have savings for retirement, resignation, disability, or as life insurance for their families. In 2023, the number of employees who contributed to the provident fund accounted for 93 percent of the total number of employees.
- In addition, Krungsri communicates with its employees via various channels such as email and training programs in order to enhance their knowledge and understanding of the provident fund, its benefits, the fund's investment policy, and the risks associated with the investment. At present, Krungsri has changed the investment policy from a 'single fund with one investment policy' approach to

a 'single fund with multiple investment policies' approach to allow employees to choose their desired investment policy or investment plan (Employee's Choice) based on their age, expected returns, and risk appetite.

- Krungsri provides other welfare benefits to meet employees' potential future needs. These benefits aim to help relieve employee stress. Welfare benefits are divided into three major categories: 'financial aid', 'health and insurance', and 'employee loans'. Details are conveyed to employees for their acknowledgement via the Employee Handbook and the Krungsri People online system, so that they may see the benefits for themselves and their families.
- Krungsri focuses on enhancing people's excellence to develop individuals, drive the organization toward a fully digital business world, and new scenarios on the future of AI, prepare employees to support continuous change in the future, and encourage creative changes to increase the productivity of and create the highest value for the organization, thus increasing its competitiveness and sustainable business growth in the future as well as facilitating operational ESG for sustainability and building up a solid foundation for ASEAN business expansion. In so doing, learning programs for continuous self-improvement have been constantly developed.
- Krungsri has designed and developed various learning programs for upskilling and reskilling to encourage employees to work efficiently at the present and prepare them for future growth with the organization, i.e., the executive development programs 'TRANSCEND' and 'TRANSITION,' under the project's concept, 'Leading in the Age of Digital Disruption and Moving Our Organization to the Next Level'; a program to develop skills for the future, for example, the Krungsri School of Data program to develop data skills and drive Krungsri toward the status of a data-driven organization; the Krungsri School of Digital and Tech program to develop digital and technology skills; the Krungsri School of Innovation program to groom innovators and foster an Innovation Culture for sustainability, the Coaching for Xponential Organization (CXO) to make leaders become 'Positive Influencers' who can efficiently unlock the potential of team members to equip Krungsri with effective organizational adaptability, the Inspirer program which is a micro learning program that delivers concise, digestible, and practical contents to inspire executives and staff, and digital learning programs on a variety of platforms and e-books that provide opportunities for employees to continuously develop themselves, answering the needs of increasing skills and developing learning agility conveniently, anywhere, at any time. In 2023, all employees participated in various training courses for an average of 57.10 hours per person.
- Apart from aiming to foster excellence among Krungsri people by encouraging employees to express themselves through Krungsri Core Values, and showing strong leadership and professionalism in order to offer customers the most satisfactory experience, Krungsri has designed learning programs that support its employees to be good and ethical citizens and exhibit responsibility toward stakeholders, society, and the environment. Examples of these programs include the Personal Data Protection program (Personal Data Protection Act), the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) program, the Enterprise Information Security program, etc. Krungsri has also designed learning programs on ESG for sustainability for executives and staff, for example, the 'ESG: The Next Big Thing on Banking' program, the 'Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand' program, the 'New Financial Disclosure Standard: TCFD' (Task Force on Climate-related Financial Disclosure) program, the 'Thailand Taxonomy: A New Rule for Sustainable Banking' program, etc. as well as the 'Wellness Booster Series Wholeness of Being' (Health & Fitness, Mental & Emotional, Wealthy, Work Environment, Purposeful & Spiritual), learning programs, developed especially so that employees are well both physically and mentally, within a positive emotional, financial, and work environment, as well as being aware of the purpose of living with happiness in all dimensions, for example, the 'Emotional Intelligence for Leader' program, the 'Empathic Communication' program, the 'Happiness Mastery: Work-Life Integration' program, the 'Happy Money, Happy Work-Life' program, etc.
- In terms of employees' safety and healthcare, Krungsri established a set of principles on the working environment, health, and safety as stated in The Spirit & The Letter (S&L). Krungsri has set up a committee specifically to oversee safety and occupational health of employees and engaged employees to elect their own representatives to serve on the committee. Safety Officers at Management Level and Supervisor Level have been appointed and provided the required training. Krungsri has also created a safe working environment to ensure that employees' lives and property are always secure. For example, Krungsri provides fire drill training, annual physical examinations, annual influenza vaccination, and health examinations for respiratory- and hearing-vulnerable groups. Other services include a Krungsri medical room, antiseptic spraying at workplaces, and cleaning of office equipment and devices to prevent the spread of contagions. In addition,

Krungsri has offered health, life, and accident insurance programs to complement the government's social security program, and set up the Krungsri Happy Heart Center to provide psychological consultancy by mental health experts for employees who are suffering from work-related or life-related stress. Krungsri has always attached importance to employees' health and well-being, and continued in its commitment to ensuring employees' good health. In so doing, a health expo was organized to promote health knowledge among employees through seminars and lectures given by medical and healthcare professionals from leading hospitals. Employees' well-being agenda has been taken to the next level through new healthcare channels and online medical services initiatives so employees can enjoy enhanced convenience and timely service, for example, electronic health insurance card, online medical claim, etc. In addition, a '5 SoH' activity has been organized and an indoor exercise area has been provided for employees to relax from work. A number of clubs including bicycling, jogging, badminton, and soccer, have been established. Details are shown in Krungsri's Sustainability Report. In 2023, two employees suffered work-related accidents; however, no employee had a work-related illness.

- Under the COVID-19 pandemic, Krungsri set out various measures to take care of employees and prevent the spread of the pandemic, such as measures to control the entrance and exit of the building and establishing a screening point before entering the building, requiring employees to work from home in order to reduce the risk of mass gatherings.
- Krungsri firmly believes that all employees are our invaluable resources who greatly contribute to the organization's growth and success, and engaged employees will be dedicated to tasks under their responsibilities and determined to deliver results to the organization, and are happy and proud to work for the organization. Krungsri therefore gives importance to the employee engagement survey project which is considered an essential part of human resources management of an organization to ensure executives and the organization are aware of and understand employee engagement level and employee experience as well as feedback on the organization's strengths and improvement areas. The results will be gathered and analyzed to improve the workplace environment, create great experiences for employees, and foster a positive workplace culture to make the organization an even better place to work.
- In 2023, Krungsri conducted an employee engagement survey to provide employees an opportunity to express their opinions and give suggestions. The project was

warmly welcomed by both executives and staff, and the participation rate was 99 percent. The survey results show an 84 percent employee engagement level, higher than the average benchmark engagement score suggested by the consulting firm (75 percent).

- Furthermore, importance is also attached to employee engagement results. Scores were communicated to all executives and employees, and the overall survey results were presented to senior management. Senior executives of all functional groups and supervisors at all levels were encouraged to better the employee experience and engagement through action planning and deep-dive analysis to identify root causes and solutions, improve work processes, and better organization climates to serve employees' needs efficiently and effectively. Progress of employee engagement at functional group level has been monitored and reported.

▶ SHAREHOLDERS STRUCTURE AND RELATIONSHIP

The Board of Directors understands shareholders structure and relationship and is aware of MUFG Group's policy as Krungsri's parent company. Krungsri closely cooperates with them with the aim of enhancing the efficiency and development of Krungsri's operations in various areas for the maximum benefit of all shareholders as well as fairness to all groups of stakeholders.

PRACTICE 5: INNOVATION ESCALATION AND RESPONSIBLE BUSINESS OPERATIONS

▶ INNOVATION ESCALATION, IT MANAGEMENT, AND RESPONSIBLE BUSINESS OPERATIONS

- The Board of Directors has ensured creation of innovations in adding value to the business together with benefits to all stakeholders and being responsible toward society and the environment. The Board of Directors has also followed up on the management's implementation of effective and efficient resource allocation and management. In addition, Krungsri has focused on financial business transformation in the digital era through innovation development in terms of products as well as the adoption of innovations for better working processes, creating a culture of innovation in the organization through both internal and external resources, and service enhancement. In particular, Krungsri places importance on creating new ecosystems and partnerships to create more value



for customers, e.g., applying the agile way of working to support and enhance employees' work in coping with changes and the use of new technologies.

- The Board of Directors has ensured the establishment of enterprise information technology governance and management frameworks which are in line with Krungsri Group's needs, ensured adoption of information technology to stimulate new business opportunities, and developed business operations and risk management for achievement of Krungsri Group's objectives and key goals. The IT Management Committee is responsible for considering information technology strategies and policies to support and align with Krungsri's strategies and goals, including consideration of the priorities of the project (Prioritization) which must be allocated information technology resources in accordance with what is available, as well as transferring/allocating new resources as appropriate.
- Krungsri has established policies and procedures on information technology risk management. Information security policies and procedures are used as a guideline for managing and protecting Krungsri's information assets. Krungsri operates under the framework of three important principles: Confidentiality, Integrity, and Availability. In addition, a process for allocation and management of information technology resources has been established in order for Krungsri to be able to resolve abnormal events that result in system interruption or damage in a manner where the business continues to run and the system is restored to normal within an acceptable period of time, including establishing measures to manage information security as a guideline for managing Krungsri's information assets, which has appropriately allocated budget and information technology resources.
- Krungsri monitors and ensures compliance with the policy as well as reporting results to the Board of Directors on a regular basis.
- In addition to Krungsri's outlined investment plan for the development of technology and digital capabilities, including the elevation of the Core Banking system, as mentioned in Practice 2, Krungsri has also fostered an organizational culture by establishing Stellar by Krungsri. This entity serves as an innovation center, driving various innovative initiatives and collaborating with teams both within the organization and with business partners. It aims to develop innovative ideas that efficiently address business challenges by conducting research and experimenting with new technologies to identify business growth opportunities.
- Krungsri places significance on fostering innovation and is committed to cultivating an innovation culture as a key driving strength for the future. In line with this commitment, Krungsri has organized the Krungsri Digital Innovation Awards to support and propel advancements in digital technology and innovation. The objective is to recognize those who excel in promoting innovation and diversity, serving as an inspirational force for individuals, organizations, and relevant entities involved in the field of innovation.
- The Board of Directors oversees Krungsri Group's business operations in alignment with sustainable banking principles, focusing on providing responsible lending and taking into consideration the environmental, social, and governance (ESG) dimensions, e.g., supporting green energy loans to increase renewable energy sources in the global energy mix, providing social and sustainable finance, etc. The Krungsri Carbon Neutrality Vision has been declared,

with a commitment to the Net Zero pathway for the Bank's own emissions and financial services, in accordance with Thailand's Nationally Determined Contributions (NDCs) and in support of MUFG's Carbon Neutrality Declaration. In addition, the Bank places great emphasis on partnership in promoting community and society development for resilient and sustainable growth.

► TREATMENT OF STAKEHOLDERS AND BUSINESS DEVELOPMENT FOR SUSTAINABILITY

Krungsri is committed to doing business with sustainable growth and driving the organization toward goal achievement as well as showing responsibility for stakeholders with fair treatment. Krungsri also supports sustainable growth and development of the economy, society, and environment; therefore, we have established best practices which demonstrate our equal treatment toward all stakeholders; details are presented in the annual Sustainability Report. Furthermore, we have defined our business philosophy and roles toward stakeholders in the Good Corporate Governance Principles, details of which are below:

- **Investors:** Krungsri recognizes the importance of disclosure of both financial and general information that is accurate, adequate, transparent, regular, and in a timely manner, through various channels and media for investors. Krungsri has established the Investor Relations function, currently overseen by the Corporate Affairs Department, being responsible for coordinating, answering enquiries, presenting Krungsri's operating results, and establishing a good relationship with investors and stakeholders.
- **Shareholders:** Krungsri respects and gives equal priority to all shareholders' rights, and provides its shareholders opportunities to consider any important issues and provide comments or suggestions, which may then be applied for improvement of business operations to drive growth and improved performance, leading to appropriate returns for shareholders in the long term. Significant information is routinely disclosed to shareholders in a correct and adequate manner, with transparency and accountability. In addition, Krungsri supports shareholders through ensuring that they can fully exercise their rights.
- **Board of Directors:** Krungsri provides opportunities for all directors to fully perform their duties with independence, including expressing opinions and giving recommendations to the management on Krungsri's operations. In this regard, the Corporate Secretariat Department is the function responsible for ensuring that the Board of Directors'

performance and activities are in line with the Principles and relevant laws. In addition, Krungsri provides each director updated content and information of training courses organized by the Thai Institute of Directors Association (IOD) on a quarterly basis, as well as any other significant and relevant external trainings and in-house trainings for performing the directors' duties, suited to the dynamic business environment and their available time to participate.

- **Executives:** Krungsri provides opportunities for executives to perform their duties independently under their assigned roles and responsibilities and offers them training courses in various areas, on a regular basis, for their personal development and career path.
- **Employees:** Krungsri adheres to all applicable laws and standards, as well as giving fair treatment to its employees and respecting human rights. Krungsri follows international human rights principles and is bound by laws concerning freedom of association, privacy, working time, wages, and working hours, as well as non-discrimination in employment. Krungsri is determined to create an environment with attention paid to all employees wherever Krungsri does business. In this regard, Krungsri has determined appropriate policies of employment, compensation, and welfare, including rules and guidelines on fair employment. Krungsri not only complies with the law declaring a strong intention of preserving human rights, but also promotes a culture of mutual respect.

The Board of Directors, executives, and employees shall adhere to human rights standards and not support any activities violating human rights according to the Good Corporate Governance Principles. Krungsri also provides proper welfare, arranges for a safe workplace and working conditions, ensures compliance with laws and regulations regarding the environment, hygiene, and safety, and creates a work environment without discrimination. Employee personal data protection and management is conducted through data processing on a lawful basis and/or obtaining consent from employees per the Personal Data Protection Act B.E. 2562 (2019).

- **Customers:** Krungsri operates its business under a core value of customer centricity by focusing on compliance with all applicable laws and standards, establishing a market conduct policy as well as providing them accurate, adequate, clear, and trustworthy information in order to protect their interests and avoid misunderstandings while delivering maximum customer satisfaction. In addition, Krungsri serves its customers with honesty, integrity, fairness, and verifiable processes to realize its aspiration,

'To be a leading regional financial institution with global reach, committed responsibly to meeting the needs of our customers and serving society through sustainable growth', with three strategic thrusts focusing on ASEAN Connectivity, Trusted Partner, and Digital & Innovation.

Amidst the COVID-19 situation which had widespread impacts on business sectors for more than two years, Krungsri has maintained its commitment to proactively provide assistance to both retail customers and business owners affected by the situation through various measures continuously, e.g., soft loan schemes to strengthen customers' liquidity as well as relief measures and restructuring, as well as enhancing business opportunities and knowledge through various activities to help increase business efficiency for customers while maintaining strong operational efficiency by being highly adaptable. Also, Krungsri provides customers a communication channel for more convenience and speed for those who need assistance measures related to impacts of the COVID-19 pandemic specifically.

In addition, in order to prevent violations of the rights of customers' personal data, whether collecting, using, disclosing, or transferring per the Personal Data Protection Act B.E. 2562 (2019) and related laws, Krungsri has stipulated stringent measures for safeguarding customers' personal data in the Employee Handbook, Policy for Personal Data Protection, Personal Data Protection Common Procedure, and relevant manuals to forbid customer data sharing except for legal requirement or upon obtaining written consent from customers, and improperly benefiting from customer data.

Krungsri also arranges training programs which extend knowledge and understanding of customer-centric values to employees, in order to enhance their variety of skills and develop a positive attitude toward customer services as well as competencies in efficiently responding to customers' needs and expectations. Examples of the training programs include, 'CX Wow Service Mind Spirit, Omotenashi', 'Build the Way Forward to an Improved Customer Experience', 'Understanding Your Customers', 'Winning Customers' Minds', and 'Wealth Management in the New Normal Era through the Perspective of Customers'.

Krungsri encourages customers to share their opinions for further improvement of services. Krungsri assesses customer satisfaction and designates clear targets by providing a customer satisfaction survey. Krungsri has also developed the 'Instant Feedback' system, which is a multifunction self-service kiosk that allows branch employees to know customers' feedback immediately

after making transactions, the results of which are annually analyzed to develop and improve the quality of services provided by the employees. Moreover, customers can file complaints or make recommendations to Krungsri via several channels.

- **Vendors/Suppliers:** Krungsri Group treats its vendors/suppliers with honesty, integrity, fairness, and transparency. Krungsri provides each vendor/supplier with correct and complete information without distorting the facts, in a standardized manner. In addition, Krungsri has drawn up guidelines for treatment toward vendors/suppliers as stated in The Spirit & The Letter (S&L), including the Policy of Supplier Relationships, the Procurement Department Manual, and Announcement Supplier Code of Conduct which covers the matters promoting the vendors'/suppliers' business operations in compliance with the Good Corporate Governance Principles as well as laws and relevant regulations; the key points are as follows:

1. Have a selection process to ensure that vendors/suppliers are operating business in compliance with laws and agreed conditions not listed in the UN & OFAC & JFEL SDN List or the AMLO SDN List, and to verify whether the vendors/suppliers have any relationship with Krungsri's directors or executives (Related Party). In case of being the related party, the declaration and the operations shall strictly comply with Krungsri's relevant disclosure and other regulations. Vendors/suppliers shall adhere to the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) requirements.
2. Ensure transparency and fairness, provide correct and complete information to all vendors/suppliers, and work against corruption in all forms, whether directly or indirectly, in accordance with the anti-bribery and corruption policies and measures to avoid conflicts of interest.
3. Foster vendors/suppliers who operate business in compliance with laws, relevant regulations, adherence to integrity and transparency, respect for human rights, commitment to fair employment, and responsibility for society and the environment.
4. Prepare purchase order forms with precise and appropriate terms and conditions, and monitor and conduct vendors'/suppliers' performance assessment for further improvement as well as efficiency enhancement and cost reduction to foster sustainable vendors/suppliers.



5. Maintain personal information of vendors/suppliers by providing appropriate security and safety measures to prevent loss, access, use, change, revision, or unauthorized or improper disclosure of personal data.
6. Support vendors/suppliers in proposing environmentally friendly products and/or services that have a positive impact on society. Furthermore, vendors need to comply with the supplier code of conduct and have a good track record without any complaints based on the four operational guidelines, which are: 1) Business Integrity; 2) Human Rights and Labor Practices; 3) Occupational Health and Safe Working Environment; and 4) Environment.

Krungsri Group consistently prioritizes Green Procurement by integrating social and environmental criteria into our vendors'/suppliers' selection process. These criteria are explicitly outlined in both our Request for Quotation Form (RFQ) and Request for Proposal Form (RFP) to encourage vendors/suppliers to provide environmentally friendly products and services. Examples of our Green Procurement efforts include the 100-percent purchase of computers and laptops compliant with Energy Star standards, the 100-percent of purchase of circular pulp reworked sanitary paper (100-percent recycled paper), and the selection of venues, products, or services certified for environmentally friendly standards. This initiative aims to empower employees in selecting environmentally responsible options. In addition, Krungsri Group regularly conducts onsite training sessions for vendors/suppliers and conducts monthly vendor/supplier performance evaluations to ensure their adherence to our environmental standards (100-percent compliance). Furthermore, detailed information regarding our vendor/suppliers selection process, Green Procurement practices, and

the positive impact of supporting vendors/suppliers in fostering sustainable business operations is disclosed on the Bank's website (www.krungsri.com) Topic: Sustainable Development > Sustainable Banking > Integrating ESG for Sustainable Banking > G: Governance.

Krungsri Group is committed to conducting sustainable business operations. Supporting vendors/suppliers in maintaining sustainable practices is integral to our commitment to their business sustainability. Hence, an online training session was organized on the topic, 'Sustainable Procurement with Krungsri Group' covering environmental, social, and governance (ESG) principles, good corporate governance, environmentally friendly procurement practices, and participation in the Thai Private Sector Collective Action against Corruption (CAC) initiative. These endeavors aim to equip our vendors/suppliers with the knowledge to integrate sustainable practices within their organizations for sustainable business operations.

Moreover, Krungsri Group has taken into account the relationship with vendors/suppliers by delivering a statement regarding honesty in working and responsibility toward society and the environment for sustainability to vendors/suppliers for acknowledgement according to CAC. Krungsri Group communicates to vendors/suppliers regarding no gifts or entertainment from vendors/suppliers, privacy notice, vendors/suppliers code of conduct, the Good Corporate Governance Principles, and CAC yearly to show transparency, fairness, and vendors'/suppliers' verifiable selection process. In addition, Krungsri Group provides whistleblowing channels for vendors/suppliers to prevent and resolve any instance of unfair treatment toward them.

- **Creditors:** Krungsri shows awareness of its responsibility to every group of creditors by strictly following the agreed-upon conditions, relevant regulations, and laws on the basis of honesty, equality, and fairness. Krungsri does not disclose creditors' confidential information, while providing them accurate and adequate information as well as promoting activities leading to a better mutual understanding.

Krungsri has comprehensively structured its management for business operations and established a clear strategy on capital management for the organization's stability and strength, to ensure that Krungsri will not fall into any financial difficulty that would result in its inability to repay debts. Krungsri has managed its liquidity to ensure the ability to repay debts on time according to maturity periods, as well as have readiness to repay debts in an emergency. This managerial structure ensures that Krungsri is capable of repaying its debts even when faced with a liquidity crisis. If Krungsri cannot comply with the agreed-upon conditions, creditors will be notified in advance so that they can jointly consider the issues and seek solutions.

Krungsri has also established a clear and concrete policy on fair treatment and responsibility to creditors, in particular guarantee conditions, capital management, and default on repayment. Additional details are shown in the annual Sustainability Report.

- **Commercial Banks or Related Financial Institutions:** Krungsri requires every employee to comply with fair competition, with no exception. Failure to do so may trigger punitive measures to uphold fair competition, per international principles under business competition legal framework.

Krungsri provides cooperation in activities beneficial to the overall business to prevent any impact on the commercial banking system and promotes activities that foster better understanding, while competing fairly with other commercial banks under the specified rules and regulations. In addition, Krungsri has established a No-Gift Policy with regards to receiving gifts from customers and vendors/suppliers to prevent bribery or conflicts of interest in doing business, except for cases in which gift-receiving is necessary in order to maintain business relationships. However, any gifts that are received must be managed in accordance with Krungsri's guidelines, e.g., donated to charities or public interest non-government organizations.

Moreover, Krungsri also provides cooperation in reducing the costs and expenses of the commercial banking system and the overall economic system. Additional details are shown in the annual Sustainability Report. In this regard, Krungsri continues focusing on the supervision and governance standards on prevention and suppression of money laundering and combating the financing of terrorism and the proliferation of weapons of mass destruction, including cooperation and support in providing financial information and evidence according to laws and regulations to government agencies for the benefit of efficient and effective legal proceedings of offenders. In addition, in 2023, Krungsri and 13 subsidiaries received a certificate of membership in Thailand's Private Sector Collective Action against Corruption (CAC certification). Krungsri was in the first group of Thai commercial banks affirming the group's intention to support all forms of anti-corruption measures in Thailand's private sector. Moreover, the Bank participated in various projects for developing Thailand's economy and society, for instance, the consumer debt relief program or Debt Clinic, etc.

- **Responsibility to Society and the Environment:** Krungsri established the Sustainability Committee to formulate Krungsri and companies in the Financial Business Group's strategic direction, policies and scopes of environmental, social, and governance (ESG) practices or sustainability, as well as corporate social responsibility (CSR), with the President and Chief Executive Officer as the Chairman of the Committee. Krungsri also established the Environmental, Social, and Governance Division (ESG Division), under supervision of the Corporate Strategy and Planning Group, to ensure clear and concrete operations, strategic policies, and activities under the framework of sustainable banking with integration of ESG considerations, as well as operation of activities in alignment with MUFG's Medium-Term Business Plan as its strategic member. Krungsri also aligns our sustainable development agendas with both relevant national and international goals.

Krungsri has prepared a Sustainability Report, separate from the Annual Registration Statement/Annual Report (Form 56-1 One Report), to disclose the sustainability of Krungsri and Krungsri Group. It covers environmental, social, and governance (ESG) dimensions as well as economic dimensions under the Global Reporting Initiatives Standards (GRI Standards). It also presents the link between the organization's approach to actions and the United Nations' Sustainable Development Goals 2030: SDGs 2030.

Responsibility to Society

Krungsri established the framework of CSR activities, or 'Krungsri's 4 CSR Pillars', so that the operations of social activities can be responsive in supporting sustainable growth at both the domestic and international levels. Details are as follows:

1. Creating sustainable value: focusing on creating an understanding of social responsibility and sustainability among employees and executives such as providing a training program on integrating ESG considerations into business, sustainable banking, and global sustainable development goals, e.g., organizing the ESG Open House activity, to raise awareness of creating the shared value of sustainability among Krungsri's employees and executives. In addition, it focuses on practices regarding long-term engagement with stakeholders as well as conducting sustainability reporting on an annual basis in order to evaluate corporate sustainability performance and raise awareness among stakeholders.
2. Giving back to the community: focusing on community engagement, for areas surrounding Krungsri's operational sites and society at large through diverse social projects/activities such as financial literacy and educational facilities and equipment support; social and community development; art, cultural, and traditional support, etc.
3. Preserving the environment: focusing on cultivation of employees' habits and awareness toward environmental preservation through related projects/activities, along with promotion of environmental impact minimization throughout our operational process such as Krungsri Zero Waste Project, forestry carbon sequestration project, reforestation activity, check dam building activity, etc.
4. Providing financial support: focusing on support and social aid in various cases, e.g., scholarships, disaster relief, donations to public benefit organizations, etc.

Environmental Management

Krungsri, as a responsible financial service provider, recognizes the importance of the environmental impact that may arise from Krungsri's business operations. Although the Bank's operations may not directly impact the environment, the Bank places great emphasis on environmental management and resource efficiency, along with driving positive environmental impacts through the Policy for Environment, Resource, Occupational Health, and Safety. This includes communication of environmental

information to employees, as well as encouraging employees to realize the importance of environmental management and conservation. Krungsri also provides channels for whistleblowing or complaints about environmental issues.

Efficient Resource Utilization

Krungsri established a Policy for Environment, Resource, Occupational Health, and Safety in order to encourage conservation by mandating the efficient use of eco-friendly resources for its operations. Any materials used will be made with eco-friendly manufacturing processes. In addition, Krungsri encourages its employees to recognize and participate in the use of resources with maximum efficiency and has established measures for achieving concrete results. Executives and employees at all levels are also required to take responsibility and cooperate in promoting and complying with policies and measures related to resource management and environmental stewardship, including the efficient use of energy and resources, and environmental conservation.

Krungsri also established a working group on energy management and its evaluators in accordance with the Building Control Act B.E. 2535 (1992) (amended B.E. 2550 (2007) to ensure efficient energy management. Krungsri organizes training and public relations information and activities in the area of proper energy conservation and management, whereby Krungsri will annually review the members of the Energy Management Working Group.

To enhance employees' knowledge of sustainable development, Krungsri provides both in-house and external training for them to improve their knowledge and application of sustainable development including environmental sustainability. Details of Krungsri and Krungsri Group sustainability practices regarding ESG as well as economic aspects are disclosed in the annual Sustainability Report.

► NON-INFRINGEMENT ON INTELLECTUAL PROPERTY OR COPYRIGHT

Krungsri stipulates non-infringement on intellectual property or copyright in The Spirit & The Letter (S&L) including the establishment of a Policy for Entity, Identity, and Intellectual Property. Employees are required to protect Krungsri's intellectual property including patents, trademarks, copyrights, trade secrets, and other information belonging to Krungsri, and to respect the intellectual property of others, including not using others' intellectual property without permission.

PRACTICE 6: STRENGTHEN EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROL

To ensure that Krungsri has an appropriate risk management and internal control system and complies with applicable laws and standards, the Board of Directors, therefore, has appointed subcommittees reporting to the Board of Directors to support the implementation of such matters as follows:

Audit Committee: The committee performs the duty of reviewing operations to be in compliance with the policy, regulations, as well as laws and regulations of regulatory agencies, and encourages the development of financial and accounting reports to be in accordance with the standards, including reviewing the internal control system and internal audit system, and ensuring a concise and efficient risk management system. The Audit Committee can perform duties and express opinions independently.

Risk and Compliance Committee: The committee is responsible for determining and reviewing the effectiveness of policies, strategies, and risk governance frameworks including overall business governance; its duties and responsibilities cover the responsibilities set by the Bank of Thailand regarding the Risk Oversight Committee under the context of corporate governance of financial institutions and financial business groups.

Each of the above committees will assess the performance of the Bank's Chief Compliance Officer and Chief Risk Officer to maintain independence in the performance of the duties of the top management of the supervisory authority and risk management function which is responsible for overseeing the business operations of Krungsri and companies in the Krungsri Group to ensure their compliance with the specified rules and risk levels.

In addition to meetings of each committee, during the year, the Risk and Compliance Committee regularly discusses and exchanges views with the Audit Committee, and the two committees have an annual meeting to jointly consider guidelines for improvement and continually develop policy and risk management. In 2023, there were two meetings of the Risk and Compliance Committee and the Audit Committee, on June 26 and December 20, 2023, respectively.

► GOVERNING RISK MANAGEMENT, INTERNAL CONTROL, AND INTERNAL AUDIT

- Krungsri has established policies and procedures for efficient governance of risk management, internal control, and internal audit to comply with relevant laws and standards.
- In the event of significant investments in other businesses, Krungsri and/or its subsidiaries should consider the results of their internal control and risk management assessments.
- Krungsri has established a clear internal audit system in line with international practice, consisting of the Three Lines Model: the business, compliance, and internal audit units. These three units cooperate to ensure effective internal control.
- Krungsri requires the Compliance Group to report any non-compliance with regulatory rules to the Board of Directors through the Audit Committee for acknowledgment and has established an independent unit reporting to the Audit Committee, i.e., the Internal Audit Group, which is responsible for assessing the adequacy and appropriateness of the internal control system, overseeing compliance with the system, and reporting to the Audit Committee and the Board of Directors for acknowledgement. Also, every appointment, transfer, termination of employment, determination of remuneration, and annual merit review for the Head of Internal Audit Group must be considered and approved by the Audit Committee. In this regard, the Audit Committee has considered and approved the appointment of Miss Puntipa Hannoraseth, Head of Internal Audit Group, to be responsible for internal audit work.
- The Board of Directors plays a vital role in overseeing and managing the overall risk of the organization, and has therefore appointed the Risk Management Committee to support the Board of Directors in supervising Krungsri's overall risk management in compliance with the Good Corporate Governance Principles, and to provide suggestions to the Board of Directors for consideration regarding policies and procedures related to risk management, as well as the policy of the business continuity management plan. In this regard, all policies are regularly reviewed.
- The Board of Directors has established a risk appetite framework and assigned the Risk Management Committee to define levels of material risk including other risks and to define Key Risk Indicators (KRIs) under the Policy for

Enterprise-Wide Risk Management and Internal Capital Adequacy Assessment Process Policy. The Enterprise-Wide Risk Management Department is responsible for assessing, monitoring, and ensuring the appropriate risk levels via Enterprise-Wide Risk Management Framework tools. A summary of these risks is shown in the Enterprise Risk Management report, including reporting on significant events that may affect Krungsri's business, which is presented to the Risk Management Committee, the Executive Committee, the Risk and Compliance Committee, and the Board of Directors, respectively.

- Krungsri places importance on and supports financial products and services by taking into account and linking with ESG dimensions, along with economic dimensions, in accordance with the 'Responsible Lending' guideline, by focusing on supporting businesses or transactions that generate positive results, creating long-term sustainable values and benefits to society and the environment. Krungsri has a management approach of defining four types of transactions for credit approval by taking into account ESG risk management, specifying prohibited transactions and restricted transactions, high-caution transactions, closely monitored transactions, and sustainable finance, as well as requiring employees involved in all parties to adhere to policy with prudent credit underwriting. In addition, Krungsri operates according to Know Your Customer (KYC) and Customer Due Diligence (CDD) to ensure that Krungsri does not support, promote, or become involved in wrong actions or create adverse impacts on society and the environment.
- Krungsri discloses related details in the Annual Registration Statement/Annual Report (Form 56-1 One Report) under the topics, 'Risk Management' and 'Internal Control and Related Party Transactions.'

► PREVENTING THE USE OF INSIDER INFORMATION AND CONFLICTS OF INTEREST

- Krungsri has stipulated policy and procedure for preventing insider trading and conflicts of interest in The Spirit & The Letter (S&L), which directors, executives, and employees must uphold and strictly comply with.
- Krungsri states details, e.g., monitoring and training for directors, executives, and employees, in Form 56-1 One Report under the topic, 'Policies and Measures Related to Use of Insider Information' and 'Monitoring to Ensure Compliance with Good Corporate Governance Principles'.

► TRANSACTIONS BETWEEN KRUNGSRI OR ITS SUBSIDIARIES AND STAKEHOLDERS

- Krungsri's directors and executives with conflicts of interest will abstain from consideration and have no right to vote on any transactions between Krungsri or its subsidiaries and any related party having either actual or potential conflicts of interest.
- Transactions are normally executed fairly on an arm's length basis and shall be considered and approved by the authorized person and/or the Board of Directors, whereby the Audit Committee will provide opinions concerning the necessity of such transactions and the propriety of the pricing, and consider the disclosure of any transaction that may incur a conflict of interest in order to ensure its accuracy, adequacy, and transparency. However, type, value, and procedure for each transaction shall comply with Krungsri's internal rules regarding related party transactions.
- In case of a related party transaction requiring approval from a meeting of shareholders, Krungsri will disclose details and rationale of the transaction as well as opinions of the Board of Directors to the shareholders before making the transaction. In 2023, Krungsri had no related party transactions that required approval from the shareholders' meeting.

► CONFLICTS OF INTEREST OF DIRECTORS AND/OR SENIOR EXECUTIVES OF KRUNGSRI

- Directors and senior executives of Krungsri are obligated to provide reports on their own and any other related persons' conflicts of interest related to the management of Krungsri Group in terms of holding of position, shareholding, and transaction; the reporting procedures are clearly established. The reports shall be delivered to the Chairman of the Audit Committee and the Chairman of the Board for acknowledgement, respectively.
- In any meeting of the Board of Directors, the Corporate Secretary will notify the meeting before each agenda item for which directors have a related interest, and that they will not participate in consideration of, nor have they any right to vote on, such agenda item. As for the agenda item of which directors may have a related interest, those directors would refrain from participating in consideration of that agenda item and abstain from voting. If a director is aware that they have related interest in any agenda

item other than what has been notified by the Corporate Secretary, they will notify the meeting before beginning such agenda item. The information on related interests of directors in each agenda item is recorded in the minutes of the meeting.

- Krungsri has established a policy prohibiting the granting of any loan, loan-like transaction, or debt guarantee to its directors, senior executives, or other related persons, except loans granted in the form of a credit card or loan as a part of welfare loan, in compliance with the regulations of the Bank of Thailand.

▶ WHISTLEBLOWING AND COMMUNICATION CHANNELS WITH KRUNGSRI

Krungsri provides channels for every group of stakeholders as well as those affected by Krungsri's operations, to inquire, report, complain or provide information to Krungsri when witnessing, perceiving or inquiring, on reasonable grounds of belief in good faith, that the Bank or employee has violated or does not comply with laws, regulations, The Good Corporate Governance Principles, The Spirit & The Letter (S&L), considered as standards of business ethics, policies and procedures, which may cause damage to the Bank.

- Please write a letter to:
The Audit Committee or Secretary to the Audit Committee and send to:
Bank of Ayudhya PCL, Head Office
1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
- E-mail: audit.committee@krungsri.com
- Krungsri's website under the heading 'About Us', sub-heading 'Receipt of Complaints'
- Electronic channel: Krungsri Portal > Compliance > Ombuds Corner
- Whistleblowing or other enquiries can be made via
 - Krungsri's website under the heading, 'Contact Us'
 - Social media channels, i.e., Facebook KrungsriSimple or Line@KrungsriSimple.
 - Call Center at 1572 (Overseas Dial 66-2296-2000 #1)
 - The Bank's branches

Krungsri has set up a function to consider complaints and inform relevant business units to investigate factual information and take appropriate corrective action with a reasonable timeline for implementation. The relevant functions shall report the investigation results to the complainants.

To protect the rights of complainants and informants who act in good faith, Krungsri shall conceal the name, address, or any other information that can identify the complainants or informants. Only those responsible for the investigation of complaints shall have access to such information. In this regard, those who received information via complaint-handling are responsible for keeping information, complaints, and evidence from complainant and informants confidential, and are prohibited from disclosing such information to persons who have no relevant duty, unless it is a disclosure in accordance with the duty required by law.

PRACTICE 7: MAINTAIN RELIABLE FINANCE AND INFORMATION DISCLOSURE

▶ MONITORING AND ASSESSING LIQUIDITY RISK

The Bank recognizes the importance of regulatory requirements, as the Liquidity Coverage Ratio (LCR) is always maintained over the minimum requirement, by considering regulatory compliance, management of the growth and structure of assets and liabilities, and effective cost management. To keep liquidity risk within acceptable levels at all times, the Bank manages its liquidity position as deemed appropriate for market conditions under both normal and crisis situations. The Bank focuses on proactive liquidity management by forecasting future changes in assets and liabilities, periodically updating the projection and analyzing liquidity sufficiency over the short and long term. This allows the Bank to determine appropriate strategies well in advance with good consideration in terms of cost of funds and balance. Liquidity management of the Bank is done by the Asset and Liability Management Committee (ALCO), with support from various departments. With great collaboration, well-constructed procedures and sufficient information and analyses to support decision-making, the liquidity management guidelines that were determined by ALCO are carefully considered and well-balanced between risk and return as well as other impacted aspects.

For disclosure, the Bank has reported essential information on LCR as well as other types of liquidity ratios and the structure of assets and liabilities to shareholders and investors for assessing the Bank's liquidity risk and encouraging market discipline.

► INFORMATION DISCLOSURE

Krungsri is aware of the importance of information disclosure concerning financial information, sustainability data and targets, and other pertinent information to its shareholders, investors, and the public. Consequently, guidelines for information disclosure have been drawn up whereby it must be disclosed in Thai and English for both financial and other information via easily accessible channels in a correct, adequate, transparent, prompt, timely, and equal manner under prescribed criteria and in compliance with the relevant laws and regulations of government authorities; this includes updating important information as needed. Krungsri regularly reviews and assesses the effectiveness of its disclosure process.

Information Disclosure Guidelines

Krungsri has set information disclosure guidelines in accordance with related regulations of the Stock Exchange of Thailand to be used as standard practices in preparing information to disclose and/or communicate to investors, analysts, fund managers, and other parties. The guidelines are as follows:

- Information to be disclosed to investors, analysts, fund managers, and other parties must have consent for release and/or be able to be disclosed to the public and investors through the Stock Exchange of Thailand and the Securities and Exchange Commission, Thailand.
- Krungsri will not disclose any sensitive information that may affect its reputation to investors, analysts, fund managers, or other parties, unless otherwise authorized by senior executives or until the actions related to raising the issue are complete. The information will be thoroughly and equitably disclosed to the stakeholders, investors, analysts, fund managers, and other parties.
- For any information disclosure regarding unusual securities trading, Krungsri shall comply with the regulations prescribed by the Stock Exchange of Thailand, the Securities and Exchange Commission, Thailand, and/or other relevant authorities. Such information to be disclosed to the investors, analysts, fund managers, and other parties shall be the same as that already disclosed to the Stock Exchange of Thailand, the Securities and Exchange Commission, Thailand, and/or other relevant authorities.
- Krungsri will avoid disclosure of information such as that which is viewed as aiming to persuade, convince, or propagandize, for product and service marketing purposes, including unsubstantiated information that aims to create a sense of superiority.
- Any person preparing, involved in, or with knowledge of unreleased information is not allowed to disclose or convey the same to any person closely related to them or other persons without permission from the authorized person, and such information shall be treated as confidential until the permission is granted and/or such information has already been reported to the Stock Exchange of Thailand.
- Disclosure channels to the public must be suitable for each group of stakeholders, and in compliance with the rules applicable to each channel.
- Information to be disclosed by means of presentation at any press conference or analysis meeting must be reviewed and endorsed by the Chief Financial Officer, related Head of Group/Chief Officer, and/or the President and Chief Executive Officer.
- The Corporate Affairs Department shall be responsible for monitoring and verifying the information disclosed via analyst reviews of securities companies, asset management companies, and other institutions related to investments. If the information is found to be incorrect, the Corporate Affairs Department, with approval from the Chief Financial Officer, shall issue a clarification and provide the correct information. Any analyst review with Krungsri's information shall be conveyed to the employees via Krungsri Portal Sharepoint.
- The President and Chief Executive Officer and Chief Financial Officer shall be responsible for disclosing the official information of Krungsri to investors, analysts, fund managers, and other parties. If there is any question within the domain of any particular Head of Group/Chief Officer, such Head of Group/Chief Officer will be designated to act as the spokesperson of Krungsri in providing the information that has been approved by the President and Chief Executive Officer. Krungsri spokespersons must complete communications training to ensure the credibility and effectiveness of their communications.
- The Corporate Affairs Department shall be the center for handling interview and information requests from investors, analysts, fund managers, and other parties, and issuing proposals to the Chief Financial Officer for consideration of giving interviews and approval of information disclosure.
- Information of investors, analysts, fund managers, and other parties shall be kept in a database categorized by type (investors, analysts, fund managers, and other parties), and shall include their basic information, particularly names, addresses, and contact phone numbers, which must be updated from time to time.

Information Disclosure Channels

Krungsri has disclosed its information related to both financial and general matters so that stakeholders can access the information easily, thoroughly, and equally. The contents are publicized via various channels such as its website (www.krungsri.com), the Annual Registration Statement/Annual Report (Form 56-1 One Report) (publicized within 120 days from the end of the accounting period), quarterly performance reports, meetings with analysts and investors by varied means, press conferences, and the delivery of notification of shareholder meetings by post.

- **Disclosure in the Annual Registration Statement/Annual Report (Form 56-1 One Report):** Krungsri discloses useful information for its shareholders as follows:

1. Compliance with good corporate governance principles according to the corporate governance criteria and guidelines stipulated by the Securities and Exchange Commission, Thailand, the Stock Exchange of Thailand, the Thai Institute of Directors Association, and the Banking Industry Code of Conduct of the Thai Bankers' Association, separated into eight practices as per Corporate Governance Code for Listed Companies 2017 of the Securities and Exchange Commission, Thailand.
2. Vision and Mission for business operations of Krungsri, which are fundamental aims and medium- to long-term goals, and Krungsri has identified our Core Values, which are fundamental behaviors to build organizational culture and make the employees aware of Krungsri's expectations. This will enable Krungsri to accomplish its Vision and Mission.
3. Krungsri discloses our financial status and operating performance to stakeholders as follows:

- Krungsri discloses our financial statements audited by a certified public accountant and endorsed by the Securities and Exchange Commission, Thailand, as being presented correctly in all material aspects in accordance with generally accepted accounting principles. In the previous year, Krungsri prepared and submitted our annual and quarterly financial statements within the prescribed timeline. The Securities and Exchange Commission, Thailand, has never ordered Krungsri to make any corrections to these financial statements.
- Management Discussion and Analysis (MD&A): To provide information to investors for their acknowledgement and better understanding of Krungsri's performance in each quarter.

- Krungsri's financial statements, including financial information being shown in the Annual Registration Statement/Annual Report (Form 56-1 One Report) of Krungsri, are produced in compliance with financial reporting standards. In this regard, Krungsri chooses to apply an accounting policy based on principles of prudence, to which consistent adherence is made, and to apply appropriate projection methods. Essential information is adequately disclosed in the notes to the financial statements audited with unqualified opinions by an independent auditor. The financial statements reflect Krungsri's actual financial status and performance, which are beneficial to the shareholders and general investors. The 2023 financial statements were certified with an unqualified opinion by an independent auditor.
4. Krungsri has received a number of awards which reflect its success and excellence in various aspects, i.e., corporate governance, business operations, employee engagement, innovation, and other initiatives in marketing as well as brand building. Krungsri also measures customers' satisfaction via the customer satisfaction measurement scheme called the Net Promoter Score (NPS), for the purpose of tracking the interests and preferences of customers toward the Krungsri brand. NPS serves as a channel for receiving feedback from one of the most important stakeholders of Krungsri. In 2023, Krungsri's NPS score was at 70.
 5. The nature of business and competition situation, as well as important developments in terms of government authorities' regulations, the business environment, and important advancements of Krungsri relevant to its performance in each year.
 6. Information on Krungsri's subsidiaries and joint ventures, types of businesses, Krungsri's shareholding in subsidiaries and joint ventures, as well as income structure.
 7. Important risk factors that may affect Krungsri's business operations including credit, market, liquidity, and operational risks. The nature of each type of risk and risk mitigation is also specified.
 8. The dividend payment policy as per the Bank's Articles of Association and the government authorities' regulations.
 9. Roles of the Bank's stakeholders: Krungsri has specified whistleblowing and communication channels for all groups of stakeholders to comfortably inquire and quickly report whistleblowing matters.

10. The names of directors, directors' profiles such as name-surname, age, position, educational background, work experience, shareholding, etc., as well as type of directorship, i.e., non-executive, independent, or executive director.
11. A comprehensive and transparent policy on remuneration of directors comparable to the industry, which must be approved by the AGM. Those directors who are assigned to perform additional duties as members of oversight committees, i.e., the Audit Committee, the Nomination and Remuneration Committee, and the Risk and Compliance Committee, will receive increased remuneration corresponding to the additional work. The remuneration is disclosed on an individual basis and by each position.
12. The number of meetings of the Board of Directors and the oversight committees and the number of meetings attended by each director.
13. Information on participation in development and training courses of directors in the previous year.
14. Information on any changes in shareholding of the directors and senior executives, showing the number of shares held at the end of the previous year and the end of the current year, and changes in the number of shares held during the year. The directors and executives as well as their related persons must report changes in their ownership of Krungsri's shares to the Securities and Exchange Commission, Thailand and the Board of Directors for acknowledgement.
15. Remuneration of executives which is in line with the principles and policies stipulated by the Board of Directors, as well as Krungsri's operating performance and each individual executive's performance.
16. A policy on related party transactions between Krungsri or its subsidiaries and any related party whereby significant transactions must be considered and approved by the authorized person and/or the Board of Directors. The directors and executives with conflict of interest will neither join the consideration nor vote on any transaction between Krungsri or its subsidiaries and any related party, or the one with potential for conflict of interest in the future. Krungsri discloses the related party transactions executed each year.
17. Selection and appointment of an independent auditor whose qualifications are in compliance with the regulations of the Bank of Thailand and the Securities

and Exchange Commission, Thailand. The selected auditor must not be related to or have any interest with Krungsri, its executives, major shareholders, or a related party in any manner that may lead to any impact on their independence in work. Krungsri also discloses the auditor's remuneration (audit fee and other service fees).

18. Krungsri prepares a report on the Board of Directors' responsibility for financial reporting, whereby the Board of Directors is responsible for Krungsri's financial statements and the consolidated financial statements of Krungsri, subsidiaries, and joint ventures, as well as the financial information of the Annual Registration Statement/Annual Report (Form 56-1 One Report), which is prepared in accordance with the Financial Reporting Standards. Krungsri always follows appropriate accounting policies together with justified projections in preparing the financial statements. Krungsri also sufficiently discloses key information in the notes to the financial statements. Krungsri's financial statements therefore reflect the Bank's actual financial position and performance, which is beneficial to the shareholders and general investors.

- **Information Disclosed on Krungsri's Website:** Various information including financial information and other important information of Krungsri that may affect Krungsri's stock price or affect the rights of shareholders that are disclosed through channels of the Stock Exchange of Thailand, information notified to shareholders, as well as information about Krungsri that will benefit shareholders and investors; all has been organized into categories on Krungsri's website so it can be accessed and searched easily, and is prepared in both Thai and English, e.g., the nature of its business operations, financial statements, newsletters, shareholding structure, organizational structure, business group structure, information related to the Board of Directors, the oversight committees and executives, investor relations information, the Bank's Articles of Association, historical annual reports, and downloadable notifications of the shareholder meetings.
- **The unit to foster relationships with investors and stakeholders:** Krungsri has established a unit to foster relationships with investors and stakeholders responsible for disclosing information, coordinating the dissemination of information, and building good relationships between Krungsri and its shareholders, investors, analysts, and other related parties.

- Krungsri established the Investor Relations Section in 2002. Its core mission is to manage work related to investor relations, particularly the disclosure of financial and non-financial information of Krungsri, under good corporate governance which is in line with related disclosure policies and relevant laws. This section is also responsible for the disclosure of information related to Krungsri Group, including comparisons of financial performance and position, current operations, and competitiveness. In 2018, Krungsri established the Environmental, Social, and Governance Division and transferred the Investor Relations Department to report directly to this division, to create confidence and foster good relationships with investors, analysts, fund managers, credit rating agencies, correspondent banks, and other relevant organizations in order to reflect the intrinsic value of Krungsri's securities while creating value-added. In July 2020, the Investor Relations Section was elevated and renamed to the Corporate Affairs Department with roles and responsibilities to disclose information, support, foster good relationships, and establish confidence for shareholders, investors, and analysts, in order to reflect the long-term intrinsic value of Krungsri's securities and build investor confidence.
- Krungsri always places great emphasis on our social and sustainable finance (SSF) mandate, one of the key sustainability targets. We have made great progress toward our goals in this area of focus. Information regarding our SSF mandate is disclosed on Krungsri's website, accessible under the Investor Relations section, in the Sustainable Finance sub-topic.

Krungsri employs effective communication tools and channels in disclosing important information such as details related to significant strategies, strategic developments, and information that may affect Krungsri's stock price. These communication channels include electronic communication to stakeholders. The Corporate Affairs Department also provides historical financial information on a quarterly basis, which is regularly updated so that investors and other persons interested in Krungsri's financial information can download it from the Bank's website under the Investor Relations topic (www.krungsri.com). Also, the Corporate Affairs Department continuously delivers updated news such as operating performance reports and other key developments of Krungsri to investors, so that they always have the latest information. In addition, communication channels with a contact person are disseminated on Krungsri's website.

Contact Information:

Corporate Affairs Department

Ms. Virachorn Srisup

Bank of Ayudhya PCL, Head Office, Floor 17

1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120

Tel.: 0-2296-2977 Fax: 0-2683-1341

E-mail: irgroup@krungsri.com

- **Major Stakeholders:** Shareholders, investors, employees, securities analysts, and credit rating agencies both domestic and foreign.
- **Number of Activities and Scope of Responsibility of Corporate Affairs Department** have become far more developed and cover a wider scope since Krungsri became a subsidiary of Mitsubishi UFJ Financial Group (MUFG). The Corporate Affairs Department communicates Krungsri's increasing business potential to its stakeholders in addition to meeting with MUFG's investor relations team to coordinate and share their experience and discuss practical guidelines for information disclosure and investor relations activities.
- **Engagement by Senior Executives**, both in planning and participating in investor relations activities, is an essential factor in reinforcing the effectiveness of two-way communication with stakeholders. The senior executives meet with investors both domestic and foreign to exchange perspectives on business development, strategy, and trends.

Krungsri has pressed ahead with investor relations activities by the Corporate Affairs Department through the arrangement of meetings to communicate with investors and analysts via video conference, one-on-one and in groups, and participating in domestic and international conferences. Such activities also reflect how investors, securities analysts, and analysts from credit rating agencies are keenly interested in Krungsri, which is recognized as the leader in retail banking and a member of MUFG. In 2023, the President and Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer, the Chief Strategy Officer, the Executive Vice President and Head of Environmental, Social, and Governance Division, and executives participated in ESG and investor relations activities as follows:

- The Corporate Affairs Department held a virtual analyst briefing in which the President and Chief Executive Officer and the Chief Financial Officer provided information regarding 2022 financial performance, operating direction, and 2023 financial

objectives, and Krungsri's Visions under the Medium-Term Business Plan (MTBP) which covers operations in 2021-2023. In the event, the Chief Risk Officer, the Chief Strategy Officer, and Executive of the Research Division helped provide information and answer questions. The event marked the first physical gathering for analyst briefing since 2019.

- The Corporate Affairs Department held a virtual analyst briefing via video conference for securities analysts, fund managers, and credit rating agencies. The Chief Financial Officer, the Chief Risk Officer, and the Chief Strategy Officer also shared a summary of the Bank's operating performance for the first half of 2023, including business trends, and the operating performance projection for the second half of 2023.
- Chairman of MUFG, and Krungsri President and Chief Executive Officer, were invited to COP28, held recently in Dubai, the United Arab Emirates (UAE), where the Chairman of MUFG shared the MUFG Asia Transition White Paper on 'Navigating the Energy Transition in Asia' at the Thailand Pavilion under the Climate Finance Agenda, focusing on actionable policy recommendations and the role of climate finance for accelerating holistic decarbonization in the region as well as supporting our clients' transition efforts. Presiding over this event, to which Krungsri was the only Thai commercial bank invited, was Krungsri Executive Vice President and Head of Environmental, Social, and Governance Division.
- Senior Advisor of MUFG Bank Ltd. and Krungsri's Head of JPC/MNC Banking shared their insights on the business environment and investment landscape in Japan and Thailand, while underlining Krungsri's unique competitive edge empowered by the banks' local strengths and MUFG's global network that best serves transnational companies in Thailand, at the meeting of the Thailand-Japan Joint Trade and Economic Committee by Keidanren, Japan's most powerful business association with more than 1,600 leading corporate members.
- Chief Financial Officer and Chief Risk Officer joined 'Thanachart Virtual Bank and Finance Day', an investor engagement and outreach program organized by Thanachart Securities PLC., sharing an update on Krungsri's robust performance and financial stability with strong asset quality, amidst a challenging operating environment. The program

also provided the investor community insights on the economic and banking industry outlook, together with competition challenges and Krungsri's strategic directions on quality growth and compelling market opportunities in the ASEAN region.

- Head of Corporate and Investment Banking Group, the Executive Vice President and Head of Environmental, Social, and Governance Division and EVP Head of Debt Capital Markets Department, took part in the seminar titled, 'Thailand Taxonomy: A Reference Tool for a Sustainable Economy', to promote understanding of the essence and the adoption of the Thailand Taxonomy (Phase 1) as standards for classifying economic activities deemed environmentally friendly. The event was co-organized by the Bank of Thailand and the Securities and Exchange Commission at the Siam Kempinski Hotel, Bangkok.
- Executive Vice President and Head of Environmental, Social, and Governance Division shared information at Thailand Focus 2023, the biggest annual meeting held by the Stock Exchange of Thailand for institutional investors, under the topic, 'The New Horizon'.
- Executive Vice President and Head of Environmental, Social, and Governance Division joined a panel discussion in the 'Inside ASEAN: Thailand 2023' virtual event hosted by Moody's Investors Service Inc. (Moody's). In the topic 'Banking Outlook: Are banks on a firm recovery path?', the panelists shared their insights on the factors that will support Thai economic growth in the long term as well as its structural challenges such as surging household debts and the aging population, including an overview of the Thai commercial banking sector's prospects and the impact of financial institution problems in the United States and Europe on the stability of the Thai financial system.
- Executive Vice President and Head of Environmental, Social, and Governance Division joined a panel discussion, 'Fostering private investment in the sustainable development agenda', in the Regional Knowledge Exchange titled, 'Financing Sustainable Development in the Asia-Pacific Region in Times of Uncertainty', jointly organized by the United Nations Development Program (UNDP), which is the United Nations' lead agency on international development, and other partners. The event attracted large audiences in the Asia-Pacific

region, including senior officials from key government agencies as well as the private sector.

- Executive Vice President and Head of Environmental, Social, and Governance Division joined the 'Road To NET ZERO: Opportunities and Challenges' seminar organized by Thansettakij Multimedia Co., Ltd. Underscoring Krungsri's sustainability vision, 'To Be the Most Sustainable Commercial Bank in Thailand', the Bank stands ready to support businesses in embracing Net Zero through transition finance, in alignment with Thailand Taxonomy—the national classification system of economic activities. Joining the event were senior officials and executives from leading public and private organizations, as well as interested attendees, totaling more than 400 persons.
- Executive Vice President and Head of Environmental, Social, and Governance Division joined the United Nations' Global Conference on Electric Two- and Three-Wheelers, as an ESG expert speaker on the topic, 'Financial Mechanisms for Scaling Up Electric Two- and Three-Wheelers', together with representatives from Asian Development Bank (ADB), UBER (Singapore), and Tipaklong Sustainable Mobility Corporation from the Philippines. This is the first global conference of its kind, bringing together key movers from Asia, Africa, and Latin America to discuss how the new vehicle technologies can contribute to Net Zero goals and sustainable development at large. The four-day global event was organized and supported by the United Nations Environment Programme (UNEP).
- Executive Vice President and Head of Environmental, Social, and Governance Division joined the High-level Seminar on Climate Change Issues for Governors and Financial Sector Policymakers, in the session titled, 'Market-based Climate Finance and Improving Debt Resilience to Shocks', in which he expressed his view on the promising growth potential of climate finance and market-based instruments in Thailand, which are being bolstered by the rapid advancement of both regulatory frameworks and market infrastructures conducive to robust supply and demand for green, sustainability, and social bond issuances and investments in recent years.

The forum was organized by the International Monetary Fund (IMF) and the Bank of Thailand at the Shangri-La Hotel.

- Executive Vice President and Head of Environmental, Social, and Governance Division joined Techsauce Global Summit 2023, the largest tech conference in Asia, as a speaker in a panel discussion on the topic, 'Green Financing: Empowering toward Sustainable Growth', together with leading climate technology startups, highlighting the Bank's pivotal roles across the climate finance ecosystem, particularly through partnerships with innovative and climate-positive startups in advancing the real economy's critical transition toward the Net Zero objective.
- Executive Vice President and Head of Environmental, Social, and Governance Division was invited as a representative from the Thai financial sector to participate in a United Nations' event, the Financial Centres for Sustainability (FC4S) Annual Meeting in Dublin, Ireland. The Financial Centres for Sustainability (FC4S) is a global network encompassing 39 financial centers. Its purpose is to collaborate in mobilizing sustainable financing facilities for the realization of the Paris Agreement's climate change objectives and the Sustainable Development Goals (SDGs). Priorities include accelerating the expansion of sustainable finance by providing the tools and insights to engage regional financial centers and local institutions in the adoption of best practices, making informed policies, and executing plans.
- The Environmental, Social, and Governance Division in collaboration with the Human Resources Management Division gave a briefing to students from Bangkok University International, School of Marketing Management, on Krungsri's guide to best practices in human resources management, including HR business plans as well as employee analytics to optimize the employee experience. The briefing was given during an interview conducted by the students for their research study in the human resources management program, as Krungsri's HR excellence was recognized recently upon winning Top 50 Companies to Work for in Thailand 2023 Award.

Major investor relations activities in 2023 are summarized below:

Type of Meeting	Number	Number of Companies	Number of Participants
Company visit by investors/analysts	3	3	9
Conference call/ Video conference	7	90	93
Participation in international and domestic conference/meeting	6	518	559
Meeting with securities analysts *	2	45	64
Meeting with credit rating agencies for Krungsri Group **	4	4	20
Site visit	1	1	7
Press conference	8	421	505
Press release on financial position of Krungsri	4	-	-

Remarks: * President and Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, and Chief Strategy Officer participated.

** Chief Financial Officer, Chief Risk Officer, and Chief Strategy Officer participated.

• Information Reported to the Board of Directors and Senior Executives of Krungsri

In order for the Board of Directors and senior executives of Krungsri to receive adequate, appropriate, and timely information, the Corporate Affairs Department follows up on Krungsri's operating performance and other factors related to Krungsri's business operations for regular reports to the Board of Directors and senior executives, and reports on comments and viewpoints of securities analysts, important developments that may impact Krungsri's stock price, as well as analyses of appropriate shareholding structure. In addition, the Corporate Affairs Department reports on its activities (participation in meetings and conferences with local and foreign investors) and related plans to the Board of Directors on a quarterly basis.

performance, shareholders' and investors' information, opportunities for shareholders to exercise their rights, as well as Krungsri's activities.

Krungsri encourages its shareholders to exercise their basic legal rights including but not limited to the right to purchase or sell shares, to participate in and vote at shareholder meetings, to receive profits/dividends, and the right to equitable treatment in share buybacks (if any) and to take part in decision-making on issues stipulated by law and those affecting Krungsri's business direction, such as election of directors, deciding directors' remuneration, amendments to the Articles of Association or Memorandum of Association, capital increase or a decrease of shares, approval of significant agenda items, and business acquisition where the price appraisal is done by an independent party.

In addition, Krungsri's current shareholder structure has no cross or pyramid shareholding among Krungsri Group.

PRACTICE 8: ENCOURAGING PARTICIPATION AND COMMUNICATION WITH SHAREHOLDERS

Krungsri has established policies and guidelines regarding shareholders, as summarized below:

► PROTECTION OF SHAREHOLDERS' RIGHTS

Krungsri recognizes and puts emphasis on the equal rights of all shareholders and commits no actions that would violate or deprive the shareholders of their rights or limit their access to vital information about Krungsri. Shareholders can access Krungsri's information via the Stock Exchange of Thailand's disclosure channels as well as Krungsri's website, under the heading, 'Investor Relations', which contains updated operating

► EQUAL TREATMENT OF ALL SHAREHOLDERS

All shareholders are regarded as the owner of Krungsri. Thus, Krungsri places importance on and upholds this as a governance policy to treat shareholders equally, whether they are minority, majority, or foreign shareholders. Also, Krungsri equally protects shareholders' rights regardless of gender, age, nationality, religion, political opinion, or physical disability.

► MEETINGS OF SHAREHOLDERS

Krungsri organized the Annual General Meeting of Shareholders 2023 (e-AGM) No. 111 via electronic media meeting on April 27, 2023, at 2:00 p.m., using a video conferencing system with



a meeting controller, namely Digital Access Platform Co. Ltd., a company under the Stock Exchange of Thailand's Group, whereby the standards comply with the conditions and methods stipulated in the Royal Decree and notifications of regulators on Electronic Media Conference with a standard system according to the Royal Decree and notifications of regulators on Electronic Media Conference, with a high-security system which has passed a self-assessment from the Electronic Transactions Development Agency. In addition, the aforementioned meeting was held under Krungsri's Articles of Association, and related regulations and laws. It is also consistent with the AGM Checklist quality assessment, good corporate governance criteria set by regulators, as well as criteria for surveying and evaluating the level of corporate governance of Thai listed companies according to the ASEAN CG Scorecard.

The conduct of e-AGM No. 111 can be summarized as follows:

- Minority shareholders were entitled to propose agenda items and nominate qualified persons to be elected as the directors, three months prior to the end of the fiscal year (September 1 - November 30, 2022). The criteria, procedures, and methods for exercising such rights were disseminated on Krungsri's website, and shareholders were informed via the Stock Exchange of Thailand's disclosure channels. In addition, the shareholders were informed at the e-AGM that no shareholder had proposed any agenda item or nominated any person for director election.
- The notification of the e-AGM was published in both Thai and English and dispatched by post together with the Annual Report (Form 56-1 One Report) using QR Code, 29 days prior to the e-AGM date. It was also disseminated on Krungsri's website more than 37 days prior to the e-AGM date, giving the shareholders adequate time to study the information.
- Request forms for a hard copy of Form 56-1 One Report/Making Enquiry in Advance were sent to all shareholders through which they could submit their questions concerning Krungsri or e-AGM agenda items requiring replies at the e-AGM. These request forms were attached to the notification of the e-AGM; shareholders could also download the form on Krungsri's website > Investor Relations > Shareholder Information.
- The notification of the e-AGM was posted at the Head Office and all Krungsri branches 14 days prior to granting rights to attend the shareholders meeting, and announced for three consecutive days on Krungsri's website more than three days prior to the e-AGM date.
- The notification contained clear information on the date, time, meeting type, weblink to attend the meeting, and details of the agenda items which clearly indicated the purpose of requesting either acknowledgement or approval. The details of agenda items comprised sufficient facts and reasons, together with adequate and precise opinions given by the Board of Directors and relevant committees, as supporting information for consideration. In addition, details on the registration and proxy process, identification documents in case of attending the e-AGM, an excerpt from the Bank's Articles of Association related to the meeting of shareholders, voting, and counting of votes, including information for inquiries regarding the use of the meeting system, etc., were disseminated by Krungsri on its website.

- Krungsri neither added any agenda nor changed any significant information in the notification of the e-AGM without prior notice to shareholders.
- The proxy form was prepared as prescribed by the Ministry of Commerce and enclosed with the notification of the e-AGM. In case a shareholder wanted another person to be present and vote at the meeting on their behalf, they could use the proxy form to make their vote. Moreover, Krungsri clearly indicated a list of required documents and procedures with simple conditions for proxy appointment under the guidelines of the relevant regulators. Two independent directors were nominated as options for the shareholders to appoint as their proxies, whereby their brief profiles were also provided. Krungsri also provided stamp duty for the convenience of shareholders.
- In appointing as a proxy a director who may be a stakeholder in any agenda item, if the shareholder did not mark any resolution to vote, that proxy director would not vote on that agenda item. But if a shareholder appointed any other person as a proxy, that person would have the right to attend and vote in the same way as the shareholder in all respects.
- Krungsri set the date and time of the e-AGM, and the system was opened for shareholders to register and present themselves at the meeting one hour before the meeting time, so that shareholders could prepare and study how to use the system before the meeting started at 2:00 p.m. Shareholders could easily and safely attend meetings, and it did not obstruct or create obstacles preventing shareholders' communications with each other. Krungsri has an electronic traffic data collection of all attendees.
- The agenda for dividend payment for the year ended includes specifying the dividend payment policy, the dividend rate, and the proposed dividend amount, with a comparison to dividend payments over the last five years. It also outlines the record date for shareholders eligible to receive dividends, as well as the dividend payment date, and provides supporting reasons and relevant information for consideration.
- For the agenda item on the election of directors, Krungsri required shareholders to select directors through individual voting and showing the result on an individual basis, whereby the candidates' brief profiles, i.e., name-surname, age, educational background, working experience, and positions in other companies separated by listed and non-listed companies, were provided, together with information on selection criteria and procedures, types of directors, shareholding of Krungsri's securities including shares of spouses and minor children, the number of Board meetings and the committees reporting to the Board of Directors meeting which they attended in the previous year, and appointment date. Other information useful for shareholders' consideration was also provided as per the regulations.
- For the agenda item on directors' remuneration, the policy and criteria for consideration were specified, together with the amount and each type of remuneration, i.e., retainer fee, attendance fee, and other annual compensation. Other benefits including entitlement to medical fee, annual health check, and company car, are in accordance with the Bank's regulations, as well as remuneration for the committee members reporting to the Board of Directors.
- For the agenda item on auditor appointment and auditor fees, details of nominated auditor(s) to be appointed/reappointed, including companies they are working for, their work experience, competence, independence, number of years serving as Krungsri's auditor, audit and non-audit fees, and other relevant and necessary information as per the regulations, were provided for the shareholders' consideration.
- The meeting is legally held via e-meeting, whereby Krungsri completely performs each process according to the law, and technology is applied to the shareholders' meeting. The technology was applied to facilitate registration, for making inquiries, and in the vote-counting process, which was able to calculate and present results instantly and accurately.
- Eleven out of 12 directors attended the meeting, representing 91.67 percent of the total director count. One non-executive director requested leave from the meeting due to other important duties. In this connection, among those present, nine directors attended the meeting in person, while two foreign directors residing overseas attended the meeting via video conference system.
- The Chairman of the Board presided over the meeting to ensure that the meeting was in accordance with relevant laws and regulations including the Bank's Articles of Association, by allocating an appropriate time for each agenda item as stipulated in the notification of the e-AGM. The Chairman of the Board introduced all directors one-by-one and introduced the auditors of Krungsri and inspector to ensure compliance with laws and regulations and inspect the vote count, as well as a delegate from the Thai Investors Association, whom Krungsri invited to join the e-AGM as an observer.

- Krungsri arranged for all senior executives, auditors, and inspector to attend the meeting in person to receive feedback and be prepared to address questions from shareholders when delegated by the chairman of the meeting to respond.
- Before the meeting, the Chairman of the Board assigned the Corporate Secretary to announce the number and percentage of shareholders participating in the e-AGM, both in person and by proxy, and explained the criteria and procedures for meeting, vote casting, and vote counting. All shareholders and proxies were entitled to express their opinions or raise questions about either the agenda item under discussion or Krungsri, independently. Each shareholder could make an inquiry through the system; the officer then passed those questions relating to each agenda item to the Corporate Secretary to read, and the Chairman of the Board answered or assigned any other persons to respond.
- For each agenda item, after the vote counting, the results including approval, disapproval, abstention, and no right to vote (except for agenda items that required approval by majority vote from the shareholders who attended and casted their votes) were announced by the Corporate Secretary to the meeting. Krungsri allocated sufficient time for the meeting.
- Currently, Krungsri has one type of share, i.e., common share. One share is equal to one vote, and a majority vote is required unless otherwise specified by law. The shareholders with specific conflicts of interest on any agenda item were not permitted to vote on that matter, except for the agenda item of director election. For this agenda item, the Bank's Articles of Association state that the nominated directors and shareholders who are nominated have the right to vote.
- For Krungsri's shareholding structure, none of the directors hold more than 25 percent of the registered and paid-up common shares.
- Krungsri video recorded the entire meeting and disseminated the recording on Krungsri's website.
- Krungsri conveyed a summary of the meeting resolutions and the voting results for each agenda item to the shareholders and the public via the Stock Exchange of Thailand's disclosure channels on the meeting date. The results of the votes were posted on Krungsri's website on the following business day. Additionally, Krungsri sent the said resolutions and results and a thank you letter from the proxies to all shareholders for exercising their rights and entrusting the directors as their proxies.
- Krungsri prepared accurate, complete, and comprehensive minutes of the e-AGM, with the name list and titles of the directors and the senior executives who attended or did not attend the meeting, including the percentage of directors attending the e-AGM. The minutes also specified the vote-count inspector, methods of vote casting and vote counting, details and opinions of the Board of Directors on each agenda item, a summary of questions and answers, important observations and suggestions of the shareholders, and meeting resolutions on an item-by-item basis, together with the voting results for each agenda item, which were clearly separated into approval, disapproval, abstention, no right to vote (except for agenda items that required approval by majority vote from the shareholders who attended and casted their votes), and voided ballot. The draft minutes were presented to the Chairman of the Board and all independent directors for a review of their accuracy and completeness before being submitted to the Chairman of the Board for sign-off, and then sent to the relevant government authorities within 14 days after the e-AGM date. Furthermore, the minutes were also disseminated on Krungsri's website. In order to comply with the Personal Data Protection Act B.E. 2562 (2019), the Corporate Secretary informed the meeting that the name and surname of the shareholders and proxies who made inquiries and expressed their opinions would also appear in the minutes of the meeting.

SIGNIFICANT CHANGES AND KEY DEVELOPMENTS OF POLICY, PROCEDURE, AND CORPORATE GOVERNANCE SYSTEM IN 2023

► SIGNIFICANT CHANGES AND KEY DEVELOPMENTS

In 2023, Krungsri took actions related to the good corporate governance system resulting in significant changes and key developments which can be summarized as follows:

- Continuously review the policy, procedure, and corporate governance system on an annual basis or without delay if there is a material change so as to increase the efficiency of supervision in accordance with the situations and relevant regulations: Policies related to governance principles were updated in 2023, e.g., Policy for Compliance, Policy for Personal Data Protection, Policy for Enterprise Information Security, Policy for Operational Risk: Consolidated Supervision, and Policy for Market Risk and Liquidity Risk Management: Consolidated Supervision.

- Providing support to ensure that the companies in Krungsri Group have a shared and accurate understanding of the importance of conducting operations in accordance with the Good Corporate Governance Principles through the exchange of knowledge and information via various channels under the topic, 'Krungsri Group CG Corner'.

► APPLYING CRITERIA FROM CORPORATE GOVERNANCE CODE FOR LISTED COMPANIES 2017 (CG CODE) PRESCRIBED BY THE SECURITIES AND EXCHANGE COMMISSION, THAILAND

In 2023, the Board of Directors conducted its annual review of Krungsri's Good Corporate Governance Principles, editing and adding information about the roles and responsibilities of executives, including their roles in other organizations, in order to comply with the Bank of Thailand Notification No. FPG. 3/2566 Re: The Roles, Responsibilities, and Composition of the Committees and Senior Executives of Financial Institutions and Parent Companies of Financial Business Groups. In addition, there have been content improvements to align with relevant practices and policies, and the wording has been refined for greater clarity.

In addition, the Board of Directors reviewed Krungsri's operations to ensure its ongoing compliance with the good corporate governance criteria promulgated by various agencies. For the previous year, most of them were found to have already been applied; however, some were sensitive and complicated to the extent that the Board of Directors resolved that their implementation should be suspended. Nonetheless, other preventive and control measures against those issues are already in place so as to ensure good corporate governance.

As for some criteria from CG Code prescribed by the Securities and Exchange Commission which Krungsri has not yet applied, Krungsri has already proposed the matter to the Board of Directors for consideration, and it was reported in the Minutes of the Board of Directors Meeting as follows:

1. All directors and relevant executives should attend the meeting to answer questions from shareholders on company-related matters.
2. Currently, the Nomination and Remuneration Committee is comprised of the Chairman who is an independent director, and the majority of the members are non-executive directors. The chairman of the meeting shall cast the deciding vote in case of a tie vote. This is to ensure that the Nomination and Remuneration Committee can perform its duties independently.

► GOOD CORPORATE GOVERNANCE IN OTHER AREAS

Krungsri ensures compliance with the Principles, as evidenced below:

- Krungsri has never been acted upon or accused by regulators for failing to announce significant events within the time set by regulators or disclosing any information that does not comply with the requirements.
- There has been no case involving an accusation or fine imposed due to misconduct or violation of the regulations of the Bank of Thailand, the Securities and Exchange Commission, the Stock Exchange of Thailand, or the Office of Insurance Commission.
- There has been no case of fraud or violation of moral standards.
- No non-executive director has resigned for a reason related to Krungsri's corporate governance.
- There has been no case of defamation resulting from a failure of the Board of Directors to perform its supervisory duty.
- During the past two years, no directors or senior executives have worked for or been a partner of the outside audit company which provides services to Krungsri.

Furthermore, in 2023, Krungsri received the following assessment results on good corporate governance:

- The result of the Corporate Governance Report of Thai Listed Companies (CGR) for the year 2023 by the Thai Institute of Directors Association (IOD) in the criteria of 'Excellent'.
- An excellent assessment score (98 scores) from the evaluation of the quality of 2023 annual general meetings of shareholders (AGM checklist) of listed companies, carried out by the Thai Investors Association.

COMPLIANCE

The Bank is committed to operating under good corporate governance for our stable and sustainable business growth, whereby the Bank focuses on the importance of environmental, social, and governance (ESG) matters in driving the banking business to continuously grow along with Thailand's economy under a sustainable banking environment.

Hence, the internal management of the Bank has a structure designed per the principle of checks and balances. The Compliance Group is also designated as an independent function to serve management in overseeing the Bank's compliance with applicable laws, regulations, and good corporate governance principles. In addition, in 2023 the Bank reorganized the Compliance Group's structure by promoting the reporting line of the Subsidiaries Compliance Department to directly report to the Chief Compliance Officer (CCO). This new, more robust structure will enhance the compliance and governance oversight activities of subsidiaries, making them more effective and efficient.

In any case, preventive measures together with monitoring continue to be the core elements of the Bank's compliance framework. The Bank proactively encourages a compliance culture in addition to knowledge-sharing about relevant regulatory requirements as preventive measures. In 2023, training sessions were provided on multifaceted rules and regulations—namely charging of default interest and debt payment hierarchy, foreign exchange control law, practice guidelines on providing information technology systems, policies and procedures of personal data protection, the Anti-Money Laundering Act B.E. 2542 (1999) and its amendments, and an anti-bribery and corruption program online training course. Additionally, Krungsri invited experts from internal and external organizations to transfer their knowledge and experience to employees through online channels.

Multiple channels were continually used to disseminate laws and regulations to employees, such as the 'Central Compliance' group email and intranet, participating in the monthly meeting of the Retail and Consumer Banking Group, the Compliance Champions and representatives' workshop, and the Compliance On-Tour to both domestic and overseas subsidiaries. These initiatives aimed to ensure that Krungsri employees received knowledge and gained a comprehensive understanding of various regulations as well as to enhance the compliance culture of Krungsri and companies in the Financial Business Group.

With respect to monitoring activity to ensure the efficiency and effectiveness of the Compliance Group's oversight, the Bank carried out compliance testing under different risk levels as identified by the Compliance Risk Assessment Framework, which covers multiple risk variables in many dimensions. In 2023, the Bank enhanced the compliance risk assessment framework. Based on the assessment results, measures including compliance checklists, as well as offsite and onsite testing, were deployed holistically to reflect the actual risks as deemed necessary. The Compliance Champions continued conducting compliance risk assessment and testing within their own functions (1.5 Line of Defense). Also, a review of the activities of the Bank's Compliance Group was self-assessed by the Bank's own Compliance Strategy and Planning Department (2.5 Line of Defense) to affirm that every compliance activity was in alignment with the established plans and standards. Consequently, testing results and compliance activities were presented to the Board of Directors monthly through relevant subcommittees and senior management. In addition, the conceptual framework for assessing the subsidiaries in terms of the Substantially Impacted Business Entities (SIBEs) is underway and scheduled for implementation within early 2024.

The Bank also emphasized compliance with the regulations regarding anti-money laundering, counterterrorism, and proliferation of weapons of mass destruction (AML/CTPF). Moreover, the Bank coordinated with related government agencies and provided them financial information and documentary evidence as required by law for effective legal action against offenders. In 2023, to affirm Krungsri's support for the Thai Private Sector Collective Action against Corruption (CAC) in every form, the Bank and 13 group companies joined the CAC Certification Ceremony 2023: Success Story for Sustainability, and were granted a certification. In any event, Krungsri Group has been certified as a CAC member four consecutive times.

The Bank continually deployed new technologies to support the ongoing compliance measures and efficiency in monitoring regulatory compliance. In 2023, the Bank developed a system for verifying customers and storing the identification documents of walk-in customers in electronic form rather than paper form, storing information related to account freezing in the data warehouse system, and enhancing the acknowledgement channel for procedures regarding prevention of employee conflict of interest (COI), insider trading, and etc.



CORPORATE GOVERNANCE FOR COMPANIES IN THE FINANCIAL BUSINESS GROUP

Krungsri has regulatory mechanisms in place for supervising and overseeing the operations of companies in the Financial Business Group across the Krungsri Group in order to maintain its best-in-class standards of corporate governance. In this regard, the Bank assigns relevant executives to be directors of companies in the Bank's Financial Business Group to supervise business operations, plans, and annual budgets, under which important transactions as stipulated by regulatory requirements and the Bank's policies must be proposed to the Bank for approval before taking any action. The Bank monitors the operation of companies in the Financial Business Group through monthly operational reports. Afterward, the Bank's committees were provided with a comprehensive overview of important events and operational outcomes, which were then reviewed, organized, and consolidated into various actions before being reported to the Bank's Board of Directors.

The Bank has clearly established procedures and practices for the nomination of candidates for the position of directors of companies in the Bank's Financial Business Group. According to the procedures, to ensure that business operations of these companies are in alignment with the Bank's and MUFG business directions, strategies, and policies, as well as in compliance with relevant laws and regulations. In this regard, the selection of executives within Krungsri Group is also approved by the Nomination and Remuneration Committee.

For the appointment of managing directors in the Financial Business Group, endorsement is required from the Bank's Board of Directors. Once the decision has been concluded, the Secretary of the Nomination and Remuneration Committee shall proceed to ensure that a letter is submitted to related government agencies in accordance with laws and regulatory requirements to request endorsement for the appointment. The Secretary of the Nomination and Remuneration Committee shall inform companies in the Bank's Financial Business Group of the resolution for acknowledged the Bank's Board of Directors and the endorsement granted by the Bank of Thailand (as the case may be) for further action.

Roles and responsibilities of directors of companies in the Financial Business Group are clearly stated to ensure that operations are carried out in compliance with the law and are consistent with the companies' Code of Conduct and the Good Corporate Governance Principles. The directors of companies in the Bank's Financial Business Group shall consider and approve significant matters of the companies as stipulated by law, Articles of Association, and the Bank's direction. In addition, directors must ensure the establishment of policies and procedures important for the companies' operations and supervise management's effective and efficient implementation of the policies for the benefit of the companies and their shareholders. However, the Bank disclosed information regarding the related-party transactions under Section 7.26 of notes to the consolidated financial statement and the Bank's financial statement for the year ended December 31, 2023.

In case that the Bank and companies in the Financial Business Group conduct related-party transactions, such transactions—according to the Bank and companies in the Financial Business Group's guidelines—must be conducted with the same conditions as those applied to other customers

and through a screening process approved by authorized persons in strict compliance with regulatory requirements and the Bank and companies in the Financial Business Group's regulations. The allowance for expected credit loss policy complies with the same Bank of Thailand regulations which are applied to other debtors. The details can be found in the Related-Party Transactions section.

The Bank recognizes the importance of internal controls over companies in the Financial Business Group. Each company is required to maintain an adequate internal control system. This should encompass the business function units, compliance unit, risk management unit, supervisory units, and the internal audit function. In 2023, the Bank established the ASEAN Audit Division, tasked with overseeing internal audits of companies within the international financial business group to ensure effectiveness in promoting proper business operations in compliance with good governance principles. It also contributes to the risk management system and allows management teams to formulate viable business strategies to achieve the Bank's goals. Details can be found in the Internal Control and Internal Audit sections.

POLICIES AND MEASURES RELATED TO USE OF INSIDER INFORMATION

The Bank believes that stakeholder confidence is the key factor to achieving stable and sustainable business growth. Therefore, the Bank must operate its business with honesty, transparency, and accountability. The Bank's personnel must not seek illicit interests by abusing the Bank's or its customers' insider information. Doing so would not only breach the Bank's internal policy and procedures but also potentially be considered a violation of law and regulations. In this regard, the Bank has stipulated a ban on such actions as one of its key prohibitions in 'The Spirit & The Letter' (S&L), which must be strictly adhered to and complied with by every director, executive, and employee of the Bank. The Bank's personnel at all levels are obliged to sign an acknowledgement and pledge to adhere to such requirements every year as a reminder of the importance of strict compliance with the principle of prohibition of seeking illicit interests for themselves or others. Moreover, there is the official signing ceremony in which the President and Chief Executive Officer of the Bank affirm their obligation and acknowledgement. This ceremony is broadcast as a role model to highlight the matter as the foremost priority of this organization. In addition, the Bank incorporates the prohibition of acting on insider information into mandatory training, namely the S&L course, through an e-Learning platform which staff and executives must

pass with a minimum score of 70 percent. A refresher course must also be taken and passed every two years.

Regarding the supervision dimension, the Bank requires employees in functions that may be privy to insider information to report their holdings of securities and assigns the compliance function to review these holdings to determine whether there has been any use of insider information for trading of securities in violation of the laws, rules, regulations, and requirements, including internal policies and procedures of the Bank. As one of the preventive measures, the Bank also prohibits its employees and their related persons from trading shares issued by the Bank and other entities in the Bank's Financial Business Group, for example, shares issued by Ngern Tid Lor Public Company Limited, during the Bank's prescribed blackout period, which refers to a period of not less than three working days before and after the announcement of the Bank's performance or financial statements. The Bank's directors, restricted employees, and related persons are also required to hold the shares issued by the Bank and/or Ngern Tid Lor Public Company Limited for a period of no less than 90 days after their acquisition of these stocks. In certain circumstances, the Bank may prohibit certain groups of staff (Restricted Persons) from trading the Bank's stocks.

Moreover, the Bank requires functions involved in certain types of transactions in association with 'material non-public information' (MNPI), which refers to any insider information (not generally available to investors) that is sensitive to customers' interests, such as merger and acquisition transactions, to check for conflict of interest prior to executing business transactions. In any case where a potential conflict of interest exists, various measures as specified by the Bank must be enacted, for example, establishing a 'Chinese Wall' to prevent disclosure of information that may cause any advantages or disadvantages from conducting transactions, classifying data, and monitoring email exchanges and communications.

The Bank firmly believes that the above measures in conjunction with enhancing knowledge of the employees and senior management members, auditing process, multiple preventive measures, and the adoption of technologies to create awareness among personnel all aid in fostering a strong compliance culture inside the organization. Additionally, the Bank applies the sustainable growth concept to effectively mitigate both compliance and reputation risk to result in credibility and ultimately create positive images and satisfaction among the Bank's customers and stakeholders.

INTERNAL CONTROL AND INTERNAL AUDIT

INTERNAL CONTROL SYSTEMS

Krungsri recognizes the importance of internal controls and has adopted the Three Lines Model—an international governance standard involving the business function, the compliance supervision function, and the internal audit function. The three functions collaborate through work processes and controls applicable to each line of defense to ensure that we practice good governance and apply effective internal control principles based on the COSO (the Treadway Commission's Committee of Sponsoring Organizations) Internal Control-Integrated Framework.

The Bank complies with the Sarbanes-Oxley Act (SOX), including US-SOX of the United States and J-SOX of Japan. The SOX laws include applying COSO internal control principles focusing on Internal Control over Financial Reporting (ICFR) of business units in the Bank to be aligned with MUFG's requirements.

INTERNAL AUDIT FUNCTION

The internal audit function is a critical function within the Bank that helps to ensure the effective operation of internal controls, compliance with laws and regulations, and achievement of the Bank's goals and objectives. The Internal Audit Group performs its duties independently and reports directly to the Audit Committee comprising independent directors. (Internal auditors are not involved in any business operations.)

INTERNAL AUDIT GROUP RESPONSIBILITIES AND GOALS

1. ASSURANCE SERVICE

The annual audit plan is formulated and adopts a risk-based approach including discussion with senior executives, and external auditors. The plan is considered and approved by the Audit Committee. During the year, there is follow-up on emerging risks which is used as part of adjusting the audit plan on a regular basis.

In order to enhance audit efficiency, audit software is used to support our end-to-end audit processes (e.g., planning, execution, and reporting) as well as the follow-up process of audit findings rectification through the Audit Tracking System. Furthermore, data analytics tools are used for more insight and to perform in-depth analyses.

The Bank continues to enhance audit coverage and increase efficiency by adopting data analytics technology as well as

internal control concepts to be able to conduct continual audit and data analyses in response to and management of emerging risks, such as the continuous audit. In addition, risks are reported to auditees on a timely basis, while the audit process with proactive stakeholder communication and collaboration among senior executives, the internal audit departments, and the auditees is implemented.

2. CONSULTING SERVICE

The Internal Audit Group expands its impact on and influence within the Bank through the delivery of advisory services by providing advice on the implementation of internal controls for diverse business units. The Internal Audit Group has also developed a cooperative relationship with the second line of defense (e.g., compliance, risk management, fraud management) and the Branch Operational Risk Management Department, to continually mitigate the risks arising from the Bank's operations.

3. PERSONNEL DEVELOPMENT

The Bank's auditors are given continuous training, including professional training courses and certified courses on internal auditing, as well as training courses that are important to today's banking business. With regards to emerging areas for auditing that are particularly complicated, the Bank may consider hiring external consultants to participate in such auditing operations to share knowledge and enhance auditing competency.

The Bank continues to exchange audit knowledge with external auditors, including MUFG auditors, in various areas (e.g., ESG). In addition, the Internal Audit Group established the Data Analytics Audit Champion and Repository program to enhance processes, sharpen audit competency, and upskill and reskill employees in data analytics and visualization.

4. AUDIT QUALITY CONTROL AND IMPROVEMENT

The audit quality of Krungsri is regularly reviewed by an independent party, and external quality assessment is performed by an external consulting firm every five years. The latest overall assessment results revealed that the activities generally conform with the International Internal Audit (IIA) Standards. Furthermore, the Audit-on-Audit process is conducted by MUFG to provide additional recommendations on our audit practices. The Bank also performs continuous monitoring over the internal audit function of subsidiaries in the Financial Business Group in adherence with internal audit standards and guidelines, and conducts the Audit-on-Audit of subsidiaries' internal audit offices where appropriate.

5. VALUE-ADDED SERVICE

To achieve good governance and effectiveness of internal controls, the Bank developed an e-Learning program, 'Internal Control Framework under COSO Principles', as a training course to be completed every two years by all employees. The Bank has continuously monitored risks related to operations and business units, thus ensuring a timely response to significant risks. In addition, continuous audit using data analytics is regularly performed to identify risks and control deficiencies occurring during business processes, and there is coordination with relevant units to quickly rectify such events.

Krungsri evaluates management's risk awareness and risk management (Risk Awareness and Response Assessment: RARA) and encourages business units to raise their risk awareness through self-identified issues or control deficiencies (Management Self-Identified Issues: MSIs) together with formal action plans via the M-Si system, which was developed by the Internal Audit Group. This has been embedded in and proven a sound element of risk culture at Krungsri.

THAI PRIVATE SECTOR COLLECTIVE ACTION AGAINST CORRUPTION

Krungsri Group upholds the Anti-Bribery and Corruption Policy and Program with integrity, transparency, and accountability in our business practices, together with the No Gift Policy on various occasions, as part of Krungsri's core values and good governance practices. In addition to other Krungsri Group entities, Krungsri is one of the commercial banks that was certified as a member of Thailand's Private Sector Collective Action against Corruption (CAC) on October 8, 2013, and was certified for a fourth consecutive term on March 31, 2023, confirming our determination to counter all forms of corruption and bribery, directly and indirectly, in accordance with our written document of the Anti-Bribery and Corruption Policy and Program. Every director, executive, and employee of Krungsri Group must sign and observe a binding agreement to adhere to our anti-bribery and corruption efforts, with disciplinary action taken against those who violate these provisions.

Krungsri Group has also established channels and processes for receiving whistleblowing cases and complaints and forwarding them to relevant employees accordingly. All whistleblowing leads will be investigated to determine facts, rectifications, and preventions for further reporting

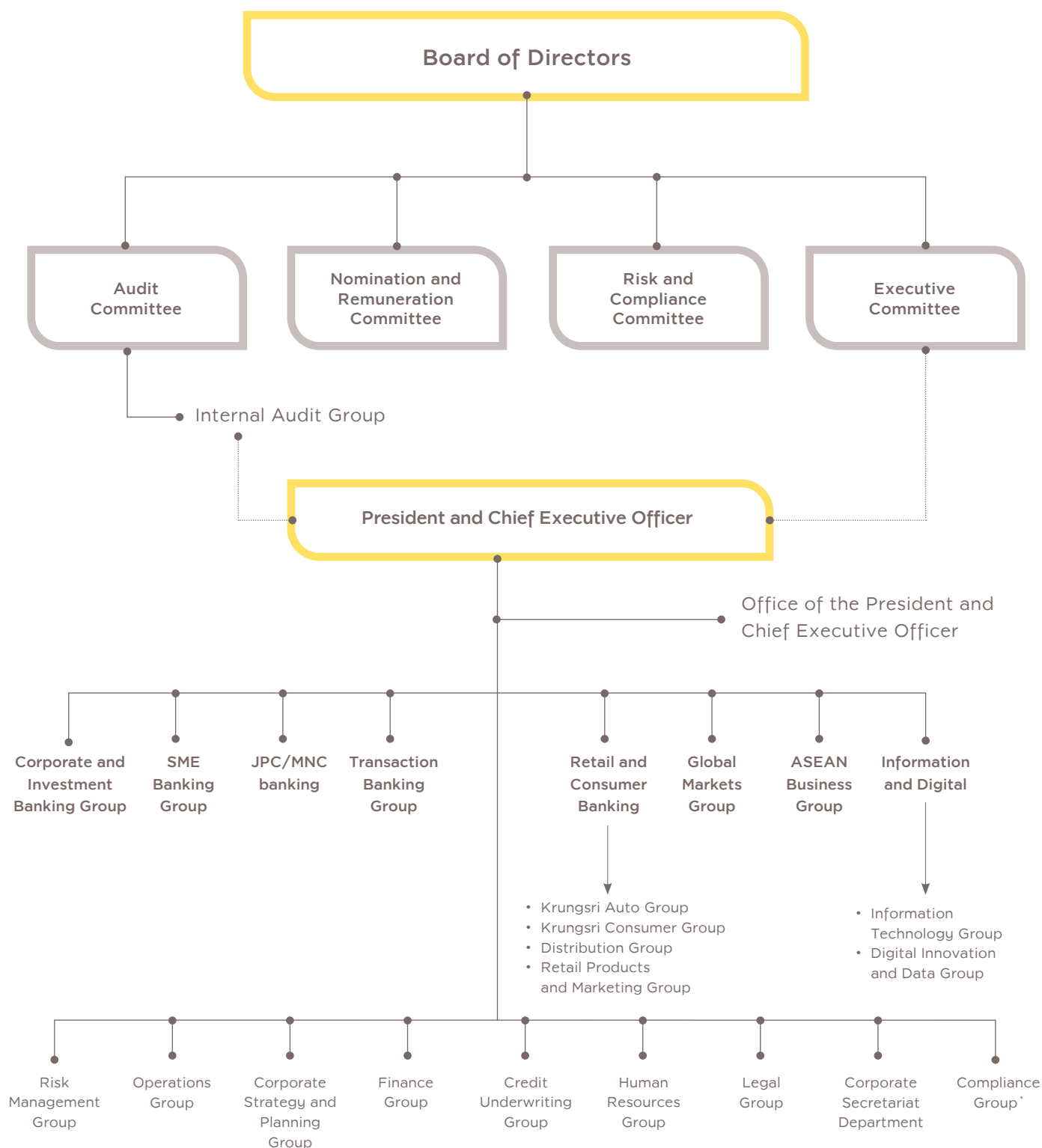
to senior executives and relevant committees. And, importantly, every whistleblower and complainant's information is protected. Retaliatory actions are a breach of Krungsri Group's policy, resulting in disciplinary measures taken against those who commit such acts.

In addition, employees and executives must enroll in training via a compulsory e-Learning course on a bi-annual basis to comprehend the purpose of the Anti-Bribery and Corruption Policy and Program. Meanwhile, Krungsri Group uses multiple media works, e.g., short films and posters, to encourage employee engagement in the many activities surrounding anti-bribery and corruption campaigns, and to promote and reinforce the idea that staff must perform their duties with integrity, transparency, and accountability—the key principles of a comprehensive anti-bribery and corruption program.

As to contributions related to society and the general public, Krungsri Group executives and employees participated in many nationwide anti-corruption and bribery activities. Krungsri accompanied the Thai Bankers' Association (TBA), the Anti-Corruption Organization of Thailand (ACT), and other leading organizations in Thailand in the Anti-Corruption Day 2023, under the theme of 'WHAT THE FACT? Simply Search Using ACTAi', which presented the use of tools supporting the public sector in investigating corruption. It discloses government and private sector information for the public's benefit, ensuring transparency and facilitating easy verification. On December 8, 2023, Krungsri executives and employees participated in the International Anti-Corruption Day (Thailand) event, based on the theme of, 'Zero Tolerance: Thailand Does Not Tolerate Corruption—Don't Commit, Don't Tolerate, Don't Ignore, Thais Unite to Fight Corruption', organized by the Thai Government, the Office of the National Anti-Corruption Commission, the Office of the Public Sector Anti-Corruption Commission, and the Anti-Corruption Organization of Thailand (ACT) as well as its entire anti-corruption alliance network, as part of the social forces to drive and create further networks of related business partners, with a commitment to support and adhere to the Anti-Bribery and Corruption Policy and Program along with pledging to perform duties with integrity, transparency, and accountability.

ORGANIZATION STRUCTURE

As of January 1, 2024



* The Compliance Group reports directly to the Risk and Compliance Committee

MANAGEMENT STRUCTURE

Krungsri's management structure consists of the Board of Directors and four committees reporting to the Board of Directors to assist in performing duties and to ensure supervision and control of business risks. Krungsri's operations are divided into two parts based on the responsibilities, namely business units and support units.

ROLES AND RESPONSIBILITIES

The roles and responsibilities of the Board of Directors and the management are clearly separated to ensure that Krungsri's operations are carried out in compliance with laws and consistent with the business code of conduct and Good Corporate Governance Principles.

Currently, the Chairman of the Board is not the same person as the President and Chief Executive Officer and their responsibilities are clearly separated.

BOARD OF DIRECTORS

The Board of Directors consists of twelve directors (including three women, one of whom is an independent director), i.e., five non-executive directors, five independent directors and two executive directors.

► STRUCTURE AND COMPOSITION

In principle, the shareholders will appoint directors in an appropriate and sufficient number for performing duties depending on the size and nature of business. The Board of Directors shall consist of not less than three independent directors or at least one-third of all the directors, whichever is greater, including not less than half of all directors shall have domiciles in Thailand.

► QUALIFICATIONS

The Board of Directors comprises the members with qualifications as required by relevant laws, regulations of the Bank's regulators, the Bank's Articles of Association and the Good Corporate Governance Principles, with diversity of skills, experience and capability beneficial to the Group as well as gender and age, and have comprehensive understanding on their roles and responsibilities as well as the nature of the business, and be able to devote their time to perform as directors. The director needs to go through notification process. Besides, at least one director shall possess knowledge or experience in information technology.

► TERM OF OFFICE

The directors' term of office is clearly specified in the Bank's Articles of Association and in accordance with the Public Limited Company Act B.E. 2535 (1992); at every annual general meeting of shareholders, one-third of all directors who hold the longest term of office shall retire by rotation and may be re-elected. If the number of directors is not a multiple of three, the number nearest to one-third shall retire.

According to the Bank's internal guidelines, a director is to retire principally, when reaching the age of 75 years. If a director reaches the age of 75 while holding the directorship position, the director is allowed to hold the office until the end of their term of office. If a director has not yet reached the age of 75 at the time of nomination for election, the director may be re-elected for another term. In this regard, Independent Director shall hold their positions for no more than nine consecutive years.

► ROLES AND RESPONSIBILITIES OF THE CHAIRMAN OF THE BOARD

1. Ensure proper structure of the Board of Directors, including overseeing and monitoring their performance as balanced in terms of corporate governance and achieving key objectives and goal of the organization.
2. Encourage all directors to ensure effective implementation of policies and decision making of the Board of Directors.
3. Summon Board of Directors meetings, consider and determine meeting agendas together with the President and Chief Executive Officer and other directors including independent directors.
4. Preside over the Board of Directors meetings, oversee the time allocated for the management to complete each agenda presentation and encourage all directors to ask questions, express opinions or make recommendations in order to exercise due consideration before casting their votes freely.
5. Encourage the non-executive directors to have meetings without the presence of executive directors.
6. Preside over the meetings of shareholders and conduct the meetings in compliance with the Bank's Articles of Association and follow the sequence of meeting agenda stipulated in the notification of the meeting, unless the meeting of shareholders resolves otherwise.
7. Encourage the directors to attend seminars and training courses related to their duties and good corporate governance for knowledge development.

8. Promote and be a role model of compliance in accordance with Good Corporate Governance Principles as well as ensure that the directors perform their duties in line with Good Corporate Governance Principles.
9. Promote activities of good corporate governance as well as environment and corporate social responsibility in order to encourage awareness and compliance among the directors, executives and all employees.
10. Be a role model to promote good relationships between the executive and non-executive directors, and between the Board of Directors and the management.

► ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors must be properly accountable for their duties and allocate sufficient time to discharge their duties effectively as well as have independence in making decisions under principles and guidelines of Business Judgment Rule. In addition, the Board of Directors must recognize and uphold the interest of the organization including its stakeholders as well as undertake the fiduciary duties of overseeing the management of Krungsri and the companies in the Financial Business Group ('the Group') as follows:

1. Duty of Care, which requires a director to be diligent and prudent in managing the Group's affairs.
2. Duty of Loyalty, which dictates that a director must act in good faith and must not allow his/her personal interest to prevail over the interest of the Group.
3. Duty of Obedience, which requires a director to comply with the laws, the Bank's objectives and Articles of Association, the resolutions of the Board of Directors and shareholders' meetings and the Good Corporate Governance Principles.
4. Duty of Disclosure, which requires a director to reveal the information that is accurate, adequate, transparent and timely.

In addition, the Board of Directors must perform the following duties:

1. Have a thorough understanding of roles and responsibilities of the Board of Directors, act as a coordinator between the shareholders and the management, formulate policies relating to business operations and direction as well as ensure good corporate governance and compliance with the policies.

2. Define objectives, goals, strategies and operational policies and provide key resources for achieving them as well as follow up, evaluate and monitor the performance report.
3. Consider and set the overall business direction and strategic goals of the Group, ensure that oversight mechanism over the Group's policies and operations is in place, and promote comprehensive and correct understanding on the same.
4. Ensure the establishment and communication of the corporate governance policy to the directors, executives, and employees, with regular review.
5. Consider and approve the annual business plan and budget proposed by the management.
6. Consider and approve significant matters of the Group as stipulated by laws, the Bank's Articles of Association and direction.
7. Ensure effective internal control and internal audit systems which are in compliance with applicable laws and standards.
8. Ensure the establishment of the policy relating to prevention of use of insider information and the formation of the system for monitoring conflicts of interest and related party transactions as well as compliance with such policy.
9. Ensure the establishment of the policy and control mechanism relating to risk management with regular reviews, and support Risk Management Committee in performing efficient and professional duties with independence from business units.
10. Ensure the establishment and communication of the policy and program relating to anti-fraud and anti-corruption.
11. Ensure the establishment of supporting system for the Board of Directors' full performance of their roles and responsibilities including access of necessary information as well as effective and sufficient reporting of information by the management.
12. Monitor the Group's financial liquidity and solvency and set a recovery plan in regards to financial difficulties.
13. Promote the innovation that creates value to the business together with benefits to customers or other stakeholders, society and environment, and ensure that the management allocates and manages the resources efficiently and effectively.
14. Ensure the establishment of a framework for the governance of enterprise information technology that is aligned with

the Group's needs, stimulates business opportunities and performance, strengthens risk management, and supports the Group's objectives and key goals.

15. Ensure clear and transparent policy and procedures for selection and nomination of the directors, and determination of director remuneration which requires a meeting of shareholders' approval, conduct performance evaluation, support training and knowledge development to enhance the directors' understanding on their roles and responsibilities, nature of business and related laws including shareholders structure and relationship, and regularly update and refresh the directors' skill and knowledge necessary to perform their duties.
16. Ensure a proper mechanism for the nomination and remuneration of the President and Chief Executive Officer including senior executives, support training and development, conduct performance evaluation, establish succession plan and report on its implementation.
17. Define clear roles and responsibilities of the President and Chief Executive Officer and the management and monitor their proper performance of duties.
18. Establish appropriate and necessary committees reporting to the Board of Directors to support the Board of Directors' performance of duties and ensure the conduct of evaluation, report and disclosure of those committees' performance.
19. Ensure effective human resources management and development programs in terms of manpower, knowledge, skill, experience and compensation.
20. Appoint a corporate secretary who possesses appropriate and necessary knowledge and experience to support the Board of Directors in fully performing their duties in compliance with laws.
21. Ensure that the Group's business operations reflect the Group-wide implementation of environmental and social responsibility standards.
22. Ensure the defining, communication and fulfillment of the Group's responsibilities towards the stakeholders as well as adherence to the code of conduct, ethics of the directors, executives and employees including Banking Industry Code of Conduct.
23. Ensure proper, adequate, clear and transparent procedures of preparation and disclosure of important information, both financial and non-financial, to government agencies, shareholders, investors and general public, within a reasonable period of time and in compliance with applicable

regulations, standards and practices as well as reflecting material corporate practices that supports sustainable value creation.

24. Ensure shareholders' opportunities to participate in decision making of significant corporate matters and proper, transparent and efficient shareholders' meetings which facilitates the shareholders to exercise their rights, as well as complete and accurate disclosure of the meeting resolutions and preparation of the minutes.
25. Ensure the establishment of function or appointment of person responsible for investor relations for effective, fair and timely communication with shareholders and other stakeholders such as investors and analysts as well as promoting the effective information technology in disseminating information.
26. Ensure the Group's creation of a mechanism for handling complaints and whistleblowing.

The Board of Directors' approval authority, in brief, is the approval of significant matters of Krungsri Group, the matters as stipulated by laws, regulations of the regulators, as well as the Bank's Articles of Association and direction including the important policies for Krungsri Group's operations, the annual operating plan, and budget, as well as following up on the management to ensure the efficient and effective implementation of those approved policies/plans. In addition, the Board of Directors shall approve the interim dividend payment, the related party transactions having specific transaction type and value, the appointment and change of the authorized signatory directors, the appointment and determination of the authority of the committees reporting to the Board of Directors, the appointment, transfer, and/or change of positions of senior executives, as well as the appointment of Krungsri's executives to serve as the directors of the companies in Krungsri Group.

► ROLES AND RESPONSIBILITIES OF EXECUTIVES

Executives shall perform duties under the moral and ethical framework as follows:

1. Adhere to integrity, fairness, morality, responsibility, and business ethics as well as perform duties and supervise the business with prudence and thoroughness along with being a role model for employees for the best interest of the organization and stakeholders under principles and guidelines of Business Judgment Rule. In addition, executives must recognize and uphold the organization's interest with awareness on organizational matters and operations.

2. Play key roles on promoting good governance in order to enhance trust from shareholders, customers, supervision agencies and all stakeholders for the best interest of the organization, industrial sector and country.
 3. Facilitate the Board of Directors in formulating and reviewing strategies, goals, and operating plan; ensure the appropriateness and adequacy of Risk Management and internal control systems; define the management's authority to be in accordance with their responsibilities; set the policies relating to resource allocation, development and budgeting; monitor and evaluate the Group's operating performance and ensure the disclosure of important information, both financial and non-financial.
 4. Operate the business management in accordance with strategies, policies and plans, risk governance framework, and business operation based on sustainable banking principle approved by the Board of Directors or the assigned committee, as the case may be.
 5. Set out processes and systems as well as the arrangements to ensure that the Bank can reach the targets according to the policies and strategies approved by the Board of Directors, or the assigned committee, which include the establishment of effective systems for managing the overall risk, and significant types of risk and strategic risk of the Bank. The risk management system should cover practices and processes for identifying, assessing, controlling, monitoring, and reporting significant risks of the Bank, including the determination of risk limit, which must be in accordance with the specified risk appetite. In addition, there should be a review of risk management processes and systems, as well as risk limit regularly or as there is any significant incident that may significantly affect the stability of the Bank.
 6. Build risk culture and communicate risk management policies and strategies, risk appetite and risk limit to all employees so that they understand and are aware of the risks as well as their roles and responsibilities and risks that may arise in work processes. Senior executives shall also strictly oversee that all staff members comply with the specified policies, procedures, guidelines, and operating processes. In addition, the Bank of Thailand Policy Statement on Risk Culture of Financial Institutions shall be implemented as appropriate to structure, size, and complexity of business operations.
 7. Control the risks of the Bank to be at the appropriate and acceptable level, which is below the specified risk limit approved by the Board of Directors, in order to limit possible losses from business operations to be at the level that does not significantly affect the position of the Bank.
 8. Report risk exposures, effectiveness and risk management framework, progress on the implementation of risk culture, as well as important factors and significant problems facing the Bank to the Board of Directors and related committees regularly or once the issue is discovered so that they can take prompt action. Executives shall also ensure that such reports are accurate, complete, timely, and reflect risk profile, including the adequacy of capital and liquidity positions of the Bank.
 9. Deploy staff who have sufficient knowledge, competence and understanding of financial techniques and relevant business operations that are required for performing risk management and internal control functions, as well as continuously encouraging the provision of new knowledge, which is beneficial to the Bank's operations, to relevant staff members.
 10. Fulfill the management's duties to ensure the appropriate and efficient implementation of the policies.
 11. Avoid any possible conflict of interest and if there is a conflict of interest, such conflict of interest shall be handled fairly without delay. Executives' transactions towards the Group shall be executed in an appropriate manner or on an arms' length basis as a normal business of the Group made with its customers, without significant relationship, whereby the benefits of the organization must be mainly attentive.
- **ROLES AND RESPONSIBILITIES OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER**
- The President and Chief Executive Officer as the top executive of Krungsri shall be responsible for performing duties as one of the directors and an executive, as well as the following duties as a leader of all executives:
1. Perform tasks assigned by the Board of Directors and committees reporting to the Board of Directors as well as any other acts as stipulated by laws or regulations of government agencies.
 2. Monitor and control the Bank's operations to ensure compliance with policy, goals, strategies, operating plan and annual budget of the Bank and our subsidiaries as approved by the Board of Directors as well as compliance with applicable laws and regulations.
 3. Report significant operating performance to the Board of Directors on a regular basis.
 4. Promote compliance with Good Corporate Governance Principles as well as highest standards of integrity, ethics, and corporate social responsibility.

5. Structure and manage the organization under the Board of Directors' given guidelines as well as build and retain a capable management team to effectively perform duties according to the Bank's strategies and objectives.
6. Represent the Bank in dealing with government agencies and other regulatory agencies with the authority to assign other person to act on his/her behalf.
7. Seek business opportunities which are consistent with the Bank's vision and strategic direction.
8. Set out appropriate command hierarchy or reporting line, as well as clear roles and responsibilities for each function under that reporting line, which will promote effective and efficient risk management and the execution of compliance, control and audit functions (Three Lines of Defense). Executives shall also oversee that control functions can perform their duties professionally and independently and are not under influence of business units.
9. Ensure that persons with power of management have appropriate qualifications and competence in managing the Bank and the Group's business.

► MEMBERS OF THE BOARD OF DIRECTORS

As of December 31, 2023, the Board of Directors consists of 12 directors as listed below:

Name-Surname	Position
Independent Directors	
1. Mr. Noriaki Goto	Chairman / Independent Director
2. Dr. Jamlong Atikul	Vice Chairman / Independent Director / Chairman of the Nomination and Remuneration Committee / Audit Committee Member
3. Mrs. Tongurai Limpiti	Independent Director / Chairman of the Audit Committee
4. Dr. Wittaya Watcharawittayakul	Independent Director / Audit Committee Member
5. Professor Dr. Sakda Thanitcul	Independent Director / Audit Committee Member
Non-Executive Directors	
6. Mr. Jiro Omori	Director / Risk and Compliance Committee Member
7. Mr. Virat Phairatphiboon	Director / Chairman of the Risk and Compliance Committee / Nomination and Remuneration Committee Member
8. Miss Nopporn Tirawattanagool	Director (Authorized Signatory) / Nomination and Remuneration Committee Member / Risk and Compliance Committee Member
9. Mr. Masakazu Osawa	Director (Authorized Signatory) / Nomination and Remuneration Committee Member
10. Mr. Pornsanong Tuchinda	Director / Risk and Compliance Committee Member
Executive Directors	
11. Mr. Kenichi Yamato	President and Chief Executive Officer (Authorized Signatory) / Chairman of the Executive Committee
12. Miss Duangdao Wongpanitkrit	Director (Authorized Signatory) / Executive Committee Member

Mrs. Thidarat Sethavaravichit serves as the Secretary to the Board of Directors.

The latest update profiles of directors are as per Attachment 1. (The topic 'Details of Directors, Executives, Persons with Managerial Authority, the Person taking the Highest Responsibility in Finance and Accounting, Person having Accounting Control and Corporate Secretary').

The directors authorized to sign on behalf of Krungsri are Mr. Masakazu Osawa and Mr. Kenichi Yamato, who jointly sign and affix the Company's seal; or either Mr. Masakazu Osawa or Mr. Kenichi Yamato co-sign with either Miss Nopporn

Tirawattanagool or Miss Duangdao Wongpanitkrit, for a total of two directors who jointly sign and affix the Company's seal.

The signatory authority of Mr. Masakazu Osawa and Miss Nopporn Tirawattanagool shall be subject to the condition that the binding signature must be made according to the items approved by the resolution of the Board of Directors on a case-by-case or temporary basis and co-signed with another director so that both directors possess the qualifications of Non-Executive Director in accordance with the rules stipulated by the Bank of Thailand.

► MEETINGS OF THE DIRECTORS

In 2023, Krungsri held meetings of the Board of Directors in a hybrid form either attending in person or via electronic means. The total of 16 meetings have been held comprising 12 ordinary meetings scheduled in advance and four extraordinary meetings. In summary, the meeting attendances of the Bank's Board of Directors were as follows:

Number of Meetings Attended / Total Number of Meetings Held								
List of the Directors	Board of Directors		Nomination and Remuneration Committee	Audit Committee	Risk and Compliance Committee	Executive Committee	The Annual General Meeting of Shareholders	The Extraordinary General Meeting of Shareholders
	Ordinary Meeting	Special Meeting						
Independent Directors								
1. Mr. Noriaki Goto ^{1/}	6/6	2/2					-	-
2. Dr. Jamlong Atikul ^{2/}	12/12	4/4	16/16	13/14			1/1	1/1
3. Mrs. Tongurai Limpiti	12/12	4/4		13/14			1/1	1/1
4. Dr. Wittaya Watcharawittayakul	12/12	4/4		14/14			1/1	1/1
5. Professor Dr. Sakda Thanitcul	12/12	4/4		14/14			1/1	1/1
Non-Executive Directors								
6. Mr. Jiro Omori	12/12	4/4			12/12		1/1	1/1
7. Mr.Virat Phairatphiboon	12/12	4/4	15/16		12/12		-	1/1
8. Miss Nopporn Tirawattanagool	12/12	4/4	16/16		12/12		1/1	1/1
9. Mr. Masakazu Osawa ^{3/}	9/9	2/3	9/9				1/1	-
10. Mr. Pornsanong Tuchinda	12/12	4/4			12/12		1/1	1/1
Executive Directors								
11. Mr. Kenichi Yamato ^{4/}	8/8	3/3				23/24	-	-
12. Miss Duangdao Wongpanitkrit	12/12	4/4				35/35	1/1	1/1
Members who resigned or whose membership ended during the year								
1. Mr. Karun Kittisataporn ^{5/}	4/6	0/2					1/1	1/1
2. Mr. Daisuke Ejima ^{6/}	2/2	0/0	4/4				-	1/1
3. Mr. Seiichiro Akita ^{7/}	4/4	1/1				11/11	1/1	1/1

Remarks: ^{1/} Appointed as the Chairman of the Board and Independent Director, effective July 25, 2023

^{2/} Appointed as the Vice Chairman, effective March 2, 2023

^{3/} Appointed as the Director and Nomination and Remuneration Committee member, effective April 22, 2023

^{4/} Appointed as the Director, the President and Chief Executive Officer and Chairman of the Executive Committee, effective May 15, 2023

^{5/} Resigned from the position of Chairman of the Board and the Director, effective July 25, 2023

^{6/} Resigned from the position of Vice Chairman of the Board, the Director and Nomination and Remuneration Committee member, effective March 2, 2023

^{7/} Resigned from the position of President and Chief Executive Officer, the Director, and Chairman of the Executive Committee, effective May 15, 2023

In addition, there were two meetings of non-executive directors which were held on May 24, 2023 and December 20, 2023, respectively.

EXECUTIVES (AS DEFINED BY THE CAPITAL MARKET SUPERVISORY BOARD)

► MEMBERS OF THE EXECUTIVES

The executives as defined by the Capital Market Supervisory Board are the President and Chief Executive Officer, Executive Vice President and above reporting directly to the President and Chief Executive Officer, Chief Financial Officer and another person designated as Acting for the above-mentioned, for a total of 18 persons as listed below:

Name-Surname	Position
1. Mr. Kenichi Yamato	President and Chief Executive Officer
2. Miss Duangdao Wongpanitkrit	Chief Financial Officer
3. Mr. Bunsei Okubo	Head of JPC/MNC Banking
4. Mr. Phongsanant Thanattrai	Head of Retail and Consumer Banking
5. Mr. Sayam Prasitsirigul	Chief Information and Digital Officer
6. Mr. Chandrashekar Subramanian Krishoolndmangalam	Chief Risk Officer
7. Miss Puntipa Hannoraseth	Head of Internal Audit Group
8. Mr. Pairote Cheunkrut	Chief Strategy Officer and Acting Head of ASEAN Business Group
9. Mr. Vasin Udomratchatavanich	Chief Human Resources Officer
10. Mr. Prakob Phiencharoen	Head of Corporate and Investment Banking Group
11. Miss Duangkamol Limpuangthip	Head of SME Banking Group
12. Mr. Kittichai Singha	Chief Compliance Officer
13. Mr. Hirotaka Kuroki	Head of Global Markets Group
14. Mr. Wirote Chuenratanakul	Head of Operations Group
15. Mr. Yoshio Ueyama	Chief Credit Officer
16. Mr. Thitivorn Chothayaphorn	Head of Legal Group
17. Miss Ninlawan Jeeraboon	Head of Transaction Banking Group
18. Mrs. Thidarat Sethavaravichit	Executive Vice President, Head of Corporate Secretariat Department

The latest update profiles of executives are as per Attachment 1.

- **Person taking the Highest Responsibility in Finance and Accounting**

The person taking the highest responsibility in finance and accounting is Miss Duangdao Wongpanitkrit, Chief Financial Officer whose the latest update profile is as per Attachment 1.

- **Person having Accounting Control**

The person having accounting control is Mr. Kriangsak Jongsukkiparnich, Executive Vice President-Head of Accounting Division, Finance Group whose last updated profile is as per Attachment 1.

- **Corporate Secretary**

Mrs. Thidarat Sethavaravichit, Executive Vice President, Head of the Corporate Secretariat Department, has been appointed as the Corporate Secretary and Secretary to the Board of Directors having the qualifications, duties and responsibilities of the Corporate Secretary, whose last updated profile is as per Attachment 1.

The Board of Directors encourages the Corporate Secretary, including executives, and persons who have a duty related to compliance to continuously take related training courses, not only external courses but also internal learning courses via Krungsri Learning Companion (KLC)

which can be accessed through personal computer, mobile phone, or tablet that can connect to the internet. For example, Good Corporate Governance (CG), The Spirit and The Letter (S&L), and IT Security Policy.

The Corporate Secretary takes various related training courses that are of benefits to the performance of duties, as organized by the Thai Institute of Directors Association (IOD) and other agencies to continually develop herself, e.g., Business Sustainability Foundation, Innovation for Society held by Social Innovation School, Company Secretary's Roles in Enhancing CG regarding Anti-Corruption, and Ethical Leadership Program (ELP) held by the Thai Institute of Directors Association (IOD).

In 2023, the Corporate Secretary attended additional training courses relating to ESG in the following topics:

- Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand
- New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure)
- Transition Finance: Commercial Banks' Decarbonization Pathway & MUFG's Case Study – Transition Whitepaper
- Role of Corporate Secretary in driving ESG

NOMINATION AND REMUNERATION COMMITTEE

► STRUCTURE AND COMPOSITION

The Board of Directors appoints the Nomination and Remuneration Committee which consists of not less than three members who are independent directors or non-executive directors (currently, it consists of one independent director and three non-executive directors). The Chairman of the Nomination and Remuneration Committee shall be an independent director, and the Chief Human Resources Officer shall be appointed as Secretary to the Nomination and Remuneration Committee.

► QUALIFICATIONS

The Nomination and Remuneration Committee members shall have extensive knowledge, capability and experience, and thorough understanding of their roles and responsibilities.

► TERM OF OFFICE

The Nomination and Remuneration Committee members shall have term of office concurrent with their directorship term of office. In case of vacancy due to any reason other than completion of term, the Board of Directors shall appoint a fully qualified person to fill the vacancy at the earliest opportunity.

During the process of nomination and appointment, remaining members can continue to perform their duties even if the number of the committee members does not meet the full composition. Such a person shall hold office concurrent with his/her directorship term. Upon completion of a term, the member may be re-appointed to the Committee.

► SCOPE OF AUTHORITIES, DUTIES AND RESPONSIBILITIES

1. To determine and endorse policies with clear and transparent principles for submission to the Board of Directors for consideration and approval and for submission to the Bank of Thailand upon request as follows:
 - 1.1 The policies and framework for nomination of Bank's directors, members of the subcommittees whose authority, roles and responsibilities are directly assigned by the Bank's Board of Directors, senior executives at the level of Executive Vice President and above, and Bank's advisors equivalent to Director or executive at Executive Vice President level and above.
 - 1.2 The policies and framework for nomination as well as selection and/or screening of the names of the suitable candidates as the case may be for directors, managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50 percent of shares. Such selection and/or screening are also applicable to internal candidates suitable for appointment to these positions.
 - 1.3 The policies and framework for payment of remuneration and other benefits to directors, subcommittee members, senior executives at the level of Executive Vice President and above of the Bank as well as directors, managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50 percent of shares.
2. To select and/or screen candidates and endorse the appointment of the candidates to the following positions for submission to the Board of Directors or the shareholders meeting for consideration and approval, as the case may be:
 - 2.1 Directors of the Bank.
 - 2.2 Members of the various subcommittees reporting directly to the Bank's Board of Directors.

2.3 Appointment or removal or position change of senior executives at the level of Executive Vice President and above of the Bank.

2.4 Appointment or removal or position change of directors of the entities in which the Bank holds shares whereby the number and composition of directors will be as stipulated in the Articles of Association of each entity and in accordance with the Bank's guidelines on determination of numbers of directors of Krungsri Entities, directorship proportion according to JV agreement, and relevant regulatory requirements.

2.5 Appointment or removal or position change of managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50 percent of shares or as specified by the NRC.

2.6 Appointment or removal or position change of directors, managing directors or persons holding equivalent positions regardless of title of the entities in which the Bank indirectly holds shares through another entity in the Bank's financial business group (sub-subsidiaries): The NRC may assign the Executive Committee to consider and endorse the matter for further submission to the entity which is the parent company, and the matter shall be reported to the NRC for acknowledgement.

2.7 Appointment or removal of the Bank's advisors equivalent to Director or executive at Executive Vice President level and above.

This shall exclude a person who is employed by the Bank for his/her special technical expertise or special skill, such as accounting advisor, legal advisor, information technology advisor, tax advisor, language advisor, corporate communication advisor, insurance advisor, or advanced quantitative model advisor, etc. or as stipulated by the Bank of Thailand.

3. To determine the policies on and the amount of remuneration and other benefits commensurate with roles and responsibilities, reflect the objectives and relevant risks of the Bank and/or companies in its financial business group and are in accordance with the clear and transparent criteria as well as comparable to the industry benchmark.

3.1 To determine and endorse remuneration and other benefits for Bank's directors, members of the various

subcommittees, senior executives at the level of Executive Vice President and above, and Bank's advisors equivalent to Director or executive at Executive Vice President level and above for submission to the Board of Directors or the shareholders meeting for consideration and approval, as the case may be.

3.2 To determine and endorse remuneration and other benefits for directors, managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50 percent of shares or as specified by the NRC for submission to the Board of Directors for consideration and approval.

3.3 To ensure that Bank's directors, senior executives of the Bank at the level of Executive Vice President and above, as well as directors, managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50 percent of shares, who are assigned additional roles and responsibilities shall receive additional remuneration commensurate with the additional assignments.

3.4 To consider and endorse the salary structure of executives and employees of the Bank to ensure alignment with the Bank's business strategies and market-competitive pay taken into consideration the relevant risks before submission to the Board of Directors for consideration and approval.

3.5 To consider and endorse the annual performance bonus and merit increase framework of the Bank and the entities in which the Bank holds more than 50 percent of shares or as specified by the NRC before submission to the Board of Directors for consideration and approval.

For entities in which the Bank indirectly holds shares through another entity in the Bank's financial business group (sub-subsidiaries), the NRC may assign the Executive Committee to consider and endorse the matter for further submission to the entity which is the parent company, and the matter shall be reported to the NRC for acknowledgement by document.

4. To ensure that the size and composition of the Board of Directors are appropriate for the organization and

modify them as appropriate in consideration of the changes in the environment. Also, to ensure that the mechanisms or tools that support director selection and nomination process are in place so as the Board of Directors is endowed with members who exhibit behaviors and possess competency and experience in a variety of fields beneficial to the Bank's business operation in the long run and in line with the Bank's business direction and strategies.

5. To ensure that the evaluation of the performance is undertaken uniformly across the Bank and companies in Krungsri Group taking into account the increase in the valuation of shareholders' equity in the long-term based on duties, responsibilities and risks involved.

- 5.1 To consider and endorse performance evaluation guidelines and performance evaluation forms prepared by the Bank in appropriate formats for use in evaluating the Board of Directors' performance before submission to the Board of Directors for consideration and approval.

- 5.2 To consider and endorse performance evaluation guidelines, goals and objectives and performance targets of senior executives of the Bank at the level of Executive Vice President and above as well as directors, managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50 percent of shares or as specified by the NRC in order to consider the annual remuneration before submission to the Board of Directors for consideration and approval.

- 5.3 To consider and provide opinions regarding the performance of the highest executive position of the Bank or a person holding equivalent position regardless of title in order to consider the annual remuneration prior to submission of the matter to the Board of Directors for consideration and approval.

- 5.4 To consider and endorse the performance of senior executives of the Bank at the level of Executive Vice President and above as well as directors, managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of entities in which the Bank holds more than 50 percent of shares or as specified by the NRC in order to consider the annual remuneration prior

to submission of the matter to the Bank's Board of Directors for consideration and approval.

For directors, managing directors or persons holding equivalent positions regardless of title of the entities in which the Bank indirectly holds shares through another entity in the Bank's financial business group (sub-subsidiaries), the NRC may assign the Executive Committee to consider and endorse the matter for further submission to the entity which is the parent company, and the matter shall be reported to the NRC for acknowledgement by document.

6. To consider a succession plan for the highest executive position of the Bank or a person holding an equivalent position regardless of title for submission to the Board of Directors for consideration and approval. Also, to consider and approve a succession plan for the various functional group heads.

7. To consider appropriateness of the Bank's organization restructuring at Functional Group level and above or substantial or major changes in the Bank's organization structure and endorse the organization restructuring proposals before submission to the Board of Directors for consideration and approval.

8. To perform other tasks assigned by the Board of Directors and/or the Chairman of the Board of Directors.

9. To disclose nomination and remuneration policies and present a summary of the operations of the Nomination and Remuneration Committee in the Bank's Annual Report.

- 9.1 To disclose nomination process for Bank's directors and senior executives at the level of Executive Vice President and above.

- 9.2 To disclose remuneration policy and various forms of compensation as well as details regarding criteria for overall performance assessment, goals and activities, the Committee's opinions, and methodology and tools for remuneration payment that reflects risks (if any).

10. The Committee may seek advice from external consultant experts (independent) such as for salary surveys, selection of directors and senior executives, etc., as needed, with the Bank being responsible for the expenses incurred.

11. To work closely with the Risk and Compliance Committee to ensure that remuneration policy reflects material risks of the Bank.

12. To consider the investigation results and/or opinions proposed by the Chief Human Resources Officer and the President and CEO on disciplinary actions/liability for losses for the wrongdoing in case the investigated employees are senior executives of the Bank at the level of Executive Vice President and above as well as directors, managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of entitles in which the Bank holds more than 50 percent of shares or as specified by the NRC.

In case where the NRC does not agree with the investigation results and/or the opinions of the Chief Human Resources Officer and the President and Chief Executive Officer, the decision of the NRC shall be deemed final.

13. To consider whistleblowing cases according to the Whistleblowing Policy as follows:

- 13.1 To propose to the Board of Directors the appointment of the working committee consisting of the Head of Internal Audit Group, Head of Human Resources Group, and Chief Compliance Officer to consider whistleblowing cases involving employees at Senior Vice President level and above.
- 13.2 To consider and make decision on the result of whistleblowing cases regarding executives at Senior Vice President level and report the matter to the Board of Directors.
- 13.3 To report and recommend course of action to the Board of Directors on the result of whistleblowing cases involving senior executives at the level of Executive Vice President and above.

► NAMES OF MEMBERS AND MEETINGS OF THE NOMINATION AND REMUNERATION COMMITTEE

In 2023, there were a total of 16 ordinary meetings scheduled in advance as detailed below:

Members of the Nomination and Remuneration Committee	Position	Number of Meetings Attended/ Total Number of Meetings Held
1. Dr. Jamlong Atikul	Chairman	16/16
2. Mr. Virat Phairatphiboon	Member	15/16
3. Miss Nopporn Tirawattanagool	Member	16/16
4. Mr. Masakazu Osawa ^{1/}	Member	9/9
Members who resigned or whose membership ended during the year		
1. Mr. Daisuke Ejima ^{2/}	Member	4/4

Secretary to the Nomination and Remuneration Committee is Mr. Vasin Udomratchatavanich

Remarks: ^{1/} Appointed as a Nomination and Remuneration Committee member, effective April 22, 2023

^{2/} Membership of the Nomination and Remuneration Committee ended, effective March 2, 2023

AUDIT COMMITTEE

► STRUCTURE AND COMPOSITION

The Board of Directors appoints the Audit Committee which consists of no fewer than three independent directors (currently, it consists of four independent directors). One of the Committee members shall be appointed as Chairman of the Audit Committee. However, the Chairman of the Audit Committee must not serve as Chairman of the Board of Directors and any other sub-committee appointed by the Board of Directors, and the Head of the Internal Audit Group shall be appointed as Secretary to the Audit Committee.

► QUALIFICATIONS

The Audit Committee members shall possess qualifications as required by the Securities and Exchange Commission, the Capital Market Supervisory Board, the Bank of Thailand, and other regulatory bodies (if any) and shall not be the directors being assigned by the Board of Directors to make decisions regarding business operations of the Bank, subsidiaries, associated companies, fellow subsidiaries with the same level of ownership stake by the parent company, major shareholders or persons with control authority over the Bank, and shall not be directors of listed companies which are subsidiaries or fellow subsidiaries with the same level of

ownership stake by the parent company. Audit Committee members shall possess knowledge and, experience as well as a thorough understanding of their duties and responsibilities. They shall also understand the nature of business operations and risk management of the Bank and its group companies. In addition, at least one Committee member shall possess knowledge and experience at a level sufficient to review the reliability of financial statements.

► TERM OF OFFICE

The Audit Committee members shall have term of office concurrent with their directorship term of office. In case of vacancy due to any reason other than completion of term, the Board of Directors shall appoint a fully qualified person to fill the vacancy within three months from the date of such vacancy. During the process of nomination and appointment, remaining members can continue to perform their duties. Such a person shall hold office concurrent with his/her directorship term. Upon completion of a term, the member may be re-appointed to the committee.

► SCOPE OF AUTHORITIES, DUTIES AND RESPONSIBILITIES

- Financial reports and external auditor

1. Review and cooperate with the senior management, internal audit team, and external auditor in overseeing internal control over financial reporting (ICFR) and consider the plan or the scopes of audit to ensure they cover material risk and financial reporting requirements including following up the audit findings whether such findings are correctly, appropriately, and timely rectified to ensure internal controls and financial reporting preparation process was designed effectively, and the Bank's financial reports and any disclosed documents relating to the financial performance of the Bank and its group companies is accurate, adequate, reliable and reflect the true and fair view of the financial status of the Bank and its group companies while complying with accounting standards and practices.
2. Consider, select and propose the independent and qualified candidates to the Board of Directors for appointment or termination of the external auditor, including their remunerations. Hold at least one meeting a year with the external auditor without the presence of management.
3. Review the process in relation to non-audit services from the audit firm of the external auditor and give

consent to the engagement of such service and related fees to ensure that it will not impair the independence of the external auditor.

- Internal control, risk management system, compliance system, and internal audit

4. Review internal control, risk management system and compliance system of the Bank and its group companies, to ensure that they are suitable, adequate and efficient. Internal audit practice complies with internal audit standards and ensure internal audit unit's independence, as well as approve the appointment, transfer, dismissal, and notify to the Bank of Thailand as specified, and evaluate efficiency and effectiveness of operations, of the Head of Internal Audit Group of the Bank.
5. Consider internal control, risk management, and compliance with relevant laws and regulations by considering minutes of meetings of Risk and Compliance Committee, Risk Management Committee, and Compliance Committee or another relevant Committee.
6. Consider and approve Internal Audit's plan, Credit Review Plan as well as considering the Internal Audit Charter, Internal Audit Policy, and Policy for reviewing of credits, credit-like transactions and contingent liabilities, before submission to the Bank's Board of Directors for approval.
7. Ensure that relevant appropriate and sufficient actions are in place for the review of procedure in relation to the Self-Evaluation Tool for Countering Bribery of the Bank under the anti-corruption policy. In addition, review the report on Self-Evaluation Tool prepared by internal audit for Countering Bribery of the Bank and certain group companies which have not established audit committees, to ensure correctness and completeness before submission to the Bank's Board of Directors and/or concerned board of directors of the group companies.
8. Review and cooperate with the senior management and internal audit team in reviewing and examining irregular, errant or suspicious matters as well as reviewing report progression of credit review including problems and obstacles of the credit review to establish corrective methods and finalize solutions to rectify such matters.

- **Related-party transactions or transactions that may create conflict of interest**

9. Consider the matters relating to connected transactions or transactions with possible conflict of interest, to ensure compliance with the relevant regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission, the Bank of Thailand, or other relevant laws and regulations including reasonableness and highest benefit to the Bank as well as the accuracy and completeness of disclosure of such information.

- **Good governance**

10. To serve as another whistleblowing or complaint channel for any situation concerning of any employees that may deem to be fraudulent or in violation of laws, regulations, as well as the Bank's policies, procedures, and Directive and also serve as a channel to receive reports or complaints that may have negative impact to the Bank.

- **Compliance with regulatory requirements**

11. Oversee and monitor the operations, business undertaking or actions taken by the Bank to ensure compliance with Securities and Exchange Acts, the Stock Exchange of Thailand regulations or laws, announcements and regulations pertaining to commercial banking business including internal policies and procedures.

- **Others**

12. Ensure that preliminary investigation is carried out after receiving the external auditor's report on behavior suspicious of fraud or violation of laws by the Bank's board members and management. The Audit Committee shall report the results of such investigation to the Securities and Exchange Commission and the external auditor under Section 89/25 of the Securities and Exchange Act within 30 days from the date they are notified by the external auditor. The further detail investigations shall be carried out as appropriate and report the result to the Bank's Board of Directors to rectify within appropriate timeline.
13. Consider inviting the management of internal control, risk management and compliance function for meeting as necessary to assure the appropriateness of internal control, risk management and compliance with relevant laws and regulations.
14. Prepare the Audit Committee's Corporate Governance Report and disclose the same in the Bank's Annual Report, comprising of at least the following information:

- (1) opinion on the accuracy, completeness and creditability of the Bank's financial report;
- (2) opinion on the adequacy of the internal control system;
- (3) opinion on the compliance with the laws on securities and exchange, the Stock Exchange of Thailand's regulations, or laws pertaining to commercial banking business;
- (4) opinion on the suitability of an external auditor;
- (5) opinion on the transactions that may lead to conflict of interest;
- (6) the number of audit committee meetings and the attendance of such meetings by each committee member;
- (7) opinion or overall observation of the audit committee from its performance of duties in accordance with its charter; and
- (8) other matters which, according to the audit committee's opinion, should be revealed to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Bank's Board of Directors.

15. Where there is a material change in the composition or in the duties of the audit committee, review the duties of Audit Committee's and term of office and present the same to the Board of Directors to consider amendments as deem appropriate.

16. Ensure clear written announcement of the Audit Committee's scope of duties which approved by the Board of Directors and any material change which may affect the audit committee's performance and disclose the same to the shareholders in the Bank's Annual Report.

17. Submit timely reports to the Board of Directors for remedial action upon the audit committee findings or suspects any misconduct in the following areas:

- Any transaction with conflict of interest.
- Any fraud or irregularity or material defect in the internal control system.
- Any breach of the Bank's rules and regulations, the Articles of Association as well as laws governing the banking business.

If the Board of Directors or the senior management does not take remedial action within the timeline determined by the Audit Committee, the Audit Committee shall disclose such failure in the Bank's Annual Report and report to the Bank of Thailand and the Office of the Securities and Exchange Commission.

18. The Audit Committee shall have authority to access to any document and information it requires and to request a meeting with management, employees or external parties, as appropriate and also have authority to seek independent professional opinions or advices, as necessary, at the Bank's expense.

19. Conduct annual performance assessment of the Audit Committee and report the assessment result to the Bank's Board of Directors.

20. Perform any other tasks as assigned by the Bank's Board of Directors as consented by the Audit Committee.

► NAMES OF MEMBERS AND MEETINGS OF THE AUDIT COMMITTEE

In 2023, there were a total of 14 meetings, i.e., 12 ordinary meetings scheduled in advance and two special meetings; two out of 14 meetings were made with the external auditors without the management. Details are shown below:

Members of the Audit Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Mrs. Tongurai Limpiti	Chairman	13/14
2. Dr. Jamlong Atikul	Member	13/14
3. Dr. Wittaya Watcharawittayakul	Member	14/14
4. Professor Dr. Sakda Thanitcul	Member	14/14

Secretary to the Audit Committee is Miss Puntipa Hannoraseth

Remark: All four members are competent and experienced in reviews of financial statements.

RISK AND COMPLIANCE COMMITTEE

► STRUCTURE AND COMPOSITION

The Board of Directors appoints the Risk and Compliance Committee which consists of at least three non-executive directors (currently, it consists of four non-executive directors). The Chairman of the Risk and Compliance Committee shall be an independent director or non-executive director, and the Chief Compliance Officer shall be appointed as Secretary to the Risk and Compliance Committee.

► QUALIFICATIONS

The Risk and Compliance Committee members shall possess knowledge, experience as well as a thorough understanding of their duties and responsibilities, including good judgments for the best interest of the Bank and/or companies within the Financial Business Group.

► TERMS OF OFFICE

The Risk and Compliance Committee members shall have the terms of office concurrent with their directorship terms of office. In case of vacancy due to the reason other than completion of the terms, the Board of Directors shall appoint a qualified individual to fill the vacancy at the earliest opportunity. During the process of nomination and appointment, other remaining members can continue to perform their duties even if the number of committee

members does not meet the requirement as specified. Such person shall hold the committee terms of office concurrently with his/her directorship term. Upon completion of a term, the member may be re-appointed to the committee.

► SCOPE OF AUTHORITIES, DUTIES AND RESPONSIBILITIES

1. Provide suggestions to the Board of Directors on the overall strategies, policies, and framework on risk management and compliance.
2. Prescribe Risk Management Group and Compliance Group's duties and scope of work to commensurate with the complexity of the Bank's business and in accordance with the Charter. The Risk and Compliance Committee is to also oversee that Senior Management Team (SMT) and the Chief Risk Officer comply with the risk management policies, strategies, and the acceptable level of risk appetite.
3. Oversee and monitor the implementation of strategies for integrated risk management, inclusive of capital, liquidity and compliance management in mitigating the major risks, i.e. credit risk, market risk, liquidity risk, operational risk, legal risk, information technology risk including cyber risk, reputational risk, and compliance risk.
4. Revisit and review the sufficiency and effectiveness of the overall risk management policies and strategies as well as the annual compliance plan and risk appetite level at least once a year or when there is any significant change



to ensure their effectiveness. The Risk and Compliance Committee should discuss and exchange views with the Audit Committee to ensure the comprehensiveness of the risk management policies and strategies and their effectiveness which should cover all existing and new types of risk and whether the actions taken per these policies and strategies are effective and efficient.

5. Regularly report to the Board of Directors on the risk exposure, efficiency of risk management, progress on the implementation of risk culture, as well as significant factors and issues, and the required enhancement to be in line with the established risk and compliance policy and strategy. The Risk and Compliance Committee is to also communicate to the Audit Committee on any non-compliance issue for acknowledgement.
6. Review and monitor all pending/overdue issues from Bank of Thailand, National Credit Bureau Co., Ltd., Securities and Exchange Commission, Anti-Money Laundering Office, etc. and compliance related issues to ensure that they are rectified per the specified timeline.
7. Evaluate the performance of the Chief Compliance Officer and the Chief Risk Officer to ensure independency and prevent possible conflict of interest.
8. Provide recommendations on best practices, development and improvement plans and information communicated to the public regarding Good Corporate Governance.
9. Determine/review recommendations on Code of Business Conduct and The Spirit & The Letter including business ethics and good practices of the Bank's senior management and employees, ensure publication and communication to all staff for acknowledgement and use as guidelines.
10. Conduct an annual performance assessment of the Risk and Compliance Committee and report the assessment result to the Board of Directors.
11. Perform any other tasks as assigned by the Board of Directors as agreed by the Risk and Compliance Committee.

► NAMES OF MEMBERS AND MEETINGS OF THE RISK AND COMPLIANCE COMMITTEE

In 2023, there were a total of 12 ordinary meetings scheduled in advance as detailed below:

Members of the Risk and Compliance Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Mr. Virat Phairatphiboon	Chairman	12/12
2. Mr. Jiro Omori	Member	12/12
3. Miss Nopporn Tirawattanagool	Member	12/12
4. Mr. Pornsanong Tuchinda	Member	12/12

Secretary to the Risk and Compliance Committee is Mr. Kittichai Singha.

In addition, the Risk and Compliance Committee held one meeting with the Nomination and Remuneration Committee on December 20, 2023, and two meetings with the Audit Committee on June 28, 2023 and December 20, 2023.

EXECUTIVE COMMITTEE

► STRUCTURE AND COMPOSITION

The Board of Directors appoints the Executive Committee consisting of no less than 12 members, namely the President and Chief Executive Officer as the Chairman of the Executive Committee, Head of JPC/MNC Banking, Head of Retail and Consumer Banking, Chief Information and Digital Officer, Chief Financial Officer, Chief Risk Officer, Chief Strategy Officer, Chief Human Resources Officer, Chief Compliance Officer, Head of Corporate and Investment Banking Group, Head of SME Banking Group, Head of Global Markets Group, and other suitable executives. In this regard, the Chairman of the Executive Committee shall be the one who appoints the Secretary to the Executive Committee.

► QUALIFICATIONS

The Executive Committee members shall possess knowledge and experience as well as a thorough understanding of their duties and responsibilities, including good judgments to ensure the benefits of the Bank and/or companies in the Financial Business Group.

► TERM OF OFFICE

The Executive Committee members shall have a term of office for two years at a time. In case of additional members, they have a term of office as per the directive of their appointments. In case of vacancy due to any reasons other than completion of term, the Board of Directors shall appoint a fully qualified person to fill the vacancy for the remaining period. During the process of nomination and appointment, other remaining members can continue to perform their duties even if the number of committee members does not meet the established requirement. Members of the committee may be re-appointed upon completion of their term to ensure continuity in their function.

► SCOPE OF AUTHORITIES, DUTIES AND RESPONSIBILITIES

1. To be in charge of the Bank's operations to ensure compliance with all relevant laws and the Bank's regulations.
2. To be in charge of the Bank's business management to achieve the set goals, policies, strategies, and business plans.
3. To assist the Board of Directors in setting optimal policies and plans by providing full and accurate information.
4. To screen strategic plans, annual business plan, capital expenditure budgets, operational objectives, and other project plans, including income/non-interest expenditure controls before submitting to the Board of Directors.
5. To assign the Management Committees to consider matters which occur from the Bank's ordinary operations.
6. To prepare reports as assigned by the Board of Directors.
7. To review policy and business plans prepared by the President and Chief Executive Officer and propose the business plans which have been reviewed to the Board of Directors for approval.
8. To consider policy and business plans endorsed by the Board of Directors on a quarterly basis and present views relating to the policy and business plans to the Board of Directors.
9. To consider, approve and monitor the following operations:
 - 9.1 High cost investment.
 - 9.2 Launching of new product or cessation of providing service or adjustment of prices which have been approved.
 - 9.3 Go into business by capital investment, share investment, business partnership, or contracts or agreements.
 - 9.4 Provision of credits or guarantee apart from the Bank's ordinary operations.
 - 9.5 Any actions resulting in property rights or right over the Bank's assets.
 - 9.6 Liability payments or liability payment before due date.
 - 9.7 Changes of strategies relating to the provision of credit and acceptance of deposits.
 - 9.8 Credit limits opening and closing.
 - 9.9 To enter into agreements or the setting of policy relating to agreements with the departments monitoring the Bank's business operations in cases other than those which the Bank's high-level executives have been empowered to do.
 - 9.10 Credit requests and also relevant operations relating to credit within its scope of authorizations delegated from the Board of Directors in accordance with the credit policy and based on acceptable risk in accordance with the risk policy of the Bank.

10. To monitor operations of the Bank's departments to ensure compliance with plans and goals in an efficient and effective manner.
 11. To review, monitor, provide suggestions and directions to ensure that the management system and operational process of various departments are modern, up-to-date and correspond to the fast-changing economic situation.
 12. To have the authority to examine the Bank's documents and data and summon relevant employees for questioning so that the Committee may fulfill its objectives.
 13. To have the authority to appoint and set the roles and responsibilities of the Management Committees and/or individuals as deemed appropriate to assist the management of the Bank.
 14. To undertake assignments from the Board of Directors.
 15. To report the Bank's operations and various activities that has major implications to the Board of Directors.
 16. To operate matters relating to the Bank's overall businesses or operations.
 17. To monitor operations of the Management Committees reporting to the Executive Committee.
 18. To approve quarterly (reviewed) financial statements after review by the Audit Committee.
- Any matter to be proposed to the Executive Committee should be filtered by at least one of the related management committees (if any).

► NAMES OF MEMBERS AND MEETINGS OF THE EXECUTIVE COMMITTEE

In 2023, there were a total of 35 ordinary meetings scheduled in advance as detailed below:

Members of the Executive Committee		Position	Number of Meetings Attended / Total Number of Meetings Held
1.	Mr. Kenichi Yamato ^{1/}	Chairman	23/24
2.	Mr. Bunsei Okubo ^{2/}	Member	14/24
3.	Mr. Phonganant Thanattrai	Member	30/35
4.	Mr. Sayam Prasitsirigul	Member	30/35
5.	Miss Duangdao Wongpanitkrit	Member	35/35
6.	Mr. Chandrashekar Subramanian Krishoolndmangalam	Member	32/35
7.	Mr. Pairote Cheunkrut	Member	34/35
8.	Mr. Vasin Udomratchatavanich	Member	31/35
9.	Mr. Kittichai Singha	Member	33/35
10.	Mr. Prakob Phiencharoen	Member	32/35
11.	Miss Duangkamol Limpuangthip	Member	29/35
12.	Mr. Hirotaka Kuroki ^{3/}	Member	33/35
Members who resigned or whose membership ended during the year			
1.	Mr. Seiichiro Akita ^{4/}	Chairman	11/11
2.	Mr. Yoshiyuki Horio ^{5/}	Member	4/11

Secretary to the Executive Committee is Miss Supattana Srisuk

Remark: ^{1/} Appointed as the Chairman of the Executive Committee, effective May 15, 2023
^{2/} Appointed as an Executive Committee member, effective May 12, 2023
^{3/} Appointed as an Executive Committee member, effective January 1, 2023
^{4/} Membership of the Chairman of the Executive Committee ended, effective May 15, 2023
^{5/} Membership of the Executive Committee member ended, effective May 12, 2023



SUSTAINABILITY COMMITTEE

► STRUCTURE AND COMPOSITION

The Executive Committee appointed the Sustainability Committee consisting of no less than 12 members namely the President and Chief Executive Officer as the Chairman of the Sustainability Committee, Chief Strategy Officer as the Vice Chairman of the Committee, Head of JPC/MNC Banking, Head of Retail and Consumer Banking, Chief Information and Digital Officer, Chief Financial Officer, Chief Risk Officer, Chief Human Resources Officer, Chief Compliance Officer, Head of Global Markets Group, Head of Corporate and Investment Banking Group and Head of SME Banking Group, whereas the Head of Environmental, Social, and Governance Division shall be appointed as Secretary to the Sustainability Committee.

► QUALIFICATIONS

The Sustainability Committee members shall be knowledgeable and experienced and have a thorough understanding of their duties and responsibilities, including exercising good judgement in advancing businesses in a socially and environmentally responsible manner throughout the entire business chains of the Bank and the companies under the Bank's Financial Business Group (Krungsri Group) with the goal of creating shared value between the business sector and the civil society towards sustainable banking development goals.

► TERM OF OFFICE

Members of the committee shall have a term of office for two years unless otherwise directed by the Executive Committee. In case of additional members, they shall have a term of office as per the directive of their appointments. In case of vacancies due to any reasons other than the completion of term, the Executive Committee shall appoint

a fully qualified person to fill the vacancy for the remaining period. During the process of nomination and appointment, other remaining members can continue to perform their duties even if the number of the committee members does not meet the requirement. The committee members may be re-appointed upon completion of their term to ensure continuity in their function.

► SCOPE OF AUTHORITIES, DUTIES AND RESPONSIBILITIES

1. Develop the Bank's and the companies under the Bank's Financial Business Group (Krungsri Group)'s policy, direction, and framework on ESG or sustainability as well as CSR, in alignment with the principle of sustainable banking development and regulators' guidance and expectation as well as The United Nations Sustainable Development Goals (the UN's SDGs) at large, to be proposed to the Executive Committee for approval.
2. Determine material ESG matters and maintain oversight of ESG matters including climate change risks and opportunities which may affect Krungsri's financing activities.
3. Ensure consistency and alignment of Krungsri's corporate sustainability agenda and that of MUFG Bank, Ltd. and international best practices.
4. Monitor progress on strategies and targets, particularly key milestones established by the Bank of Thailand and/or the Thai Bankers' Association on sustainable banking.
5. Ensure leading practices in the management and disclosure of corporate sustainability issues, opportunities, progress, and results.
6. Develop an annual CSR program and budget for approval by the Executive Committee.
7. Acknowledge and/or approve a CSR action plan and expenditures required to execute on the Krungsri Group's CSR initiatives as approved by the Executive Committee, including supervising compliance with the action plan and coordinating with the Krungsri Foundation and other concerned entities as appropriate.
8. Review and provide advice on sustainability reporting to ensure that of the Krungsri's sustainability reporting complies with recommendations and regulations prescribed by the Securities and Exchange Commission and the Stock Exchange of Thailand.

► NAMES OF MEMBERS AND MEETINGS OF THE SUSTAINABILITY COMMITTEE

In 2023, there were a total of four ordinary meetings scheduled in advance as detailed below:

Members of the Sustainability Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Mr. Kenichi Yamato ^{1/}	Chairman	2/4
2. Mr. Pairote Cheunkrut	Vice Chairman	4/4
3. Mr. Bunsei Okubo ^{2/}	Member	3/4
4. Mr. Phongsanant Thanattrai	Member	3/4
5. Mr. Sayam Prasitsirigul	Member	2/4
6. Miss Duangdao Wongpanitkrit	Member	4/4
7. Mr. Chandrashekar Subramanian Krishoolndmangalam	Member	3/4
8. Mr. Vasin Udomratchatavanich	Member	4/4
9. Mr. Kittichai Singha	Member	4/4
10. Mr. Hirotaka Kuroki ^{3/}	Member	4/4
11. Mr. Prakob Phiencharoen	Member	4/4
12. Miss Duangkamol Limpuangthip	Member	4/4
Members who resigned or whose membership ended during the year		
1. Mr. Seiichiro Akita ^{4/}	Chairman	1/4
2. Mr. Yoshiyuki Horio ^{5/}	Member	1/4

Secretary to the Sustainability Committee is Mr. Poonsit Wongthawatchai

Remarks: ^{1/} Appointed as the Chairman of the Sustainability Committee, effective May 15, 2023
^{2/} Appointed as the Sustainability Committee member, effective May 12, 2023
^{3/} Appointed as the Sustainability Committee member, effective January 1, 2023
^{4/} Membership of the Chairman of the Sustainability Committee ended, effective May 15, 2023
^{5/} Membership of the Sustainability Committee member ended, effective May 12, 2023

SELECTION AND APPOINTMENT OF DIRECTORS AND SENIOR EXECUTIVES

► NOMINATION OF DIRECTORS

Krungsri, by the Nomination and Remuneration Committee (NRC), has established qualifications of the directors which are suitable and in accordance with Krungsri's strategic necessity. The qualifications and criteria for the nomination of the directors are as follows:

• Qualifications of the Directors

- A director shall have the following characteristics:
 - Demonstrate integrity and accountability.
 - Make decisions based on information (informed judgment).
 - Be mature and stable, a good listener and willing to provide different and independent opinions.
 - Work in accordance with principles.

- Spend sufficient time dedicating oneself to performing one's duties as a director.
- Attentively perform duties within one's scope of responsibilities.

- A director should have the knowledge and expertise as well as experience which are beneficial to business operations such as determination of visions and strategies, and knowledge of the banking industry, international trade, risk management, accounting and finance, legal and compliance, organization and human resources management, IT and digital, etc.

In addition to the aforementioned characteristics, knowledge and expertise, a director shall possess qualifications in compliance with the Articles of Association and the Corporate Governance Principles of the Bank, laws, and requirements of regulators, i.e., the Bank of Thailand, the Securities and Exchange Commission, the Stock Exchange of Thailand, and other relevant regulators.

• Method for the Nomination of Directors

1. Nomination

There are several methods stipulated by Krungsri for the nomination of appropriate persons to serve as a director such as (1) Nominated by a director, (2) Nominated by the NRC, (3) Nominated by an outsource firm hired by Krungsri, and (4) Nominated by a minority shareholder.

2. Consideration process

The Secretary to the NRC proposes the names of the candidates to the NRC for further selection/screening by taking into consideration all of the required characteristics and qualifications before passing the matter on to the Board of Directors for consideration and appointment or for further proposing to the shareholders' meeting for election, as the case may be.

• Voting on Election/Appointment of Directors:

There are two voting approaches as follows:

1. Election of the directors by a general meeting of shareholders' resolution, i.e., election of new director to replace a director whose term of office expires and/or election of additional director (new director), will be in accordance with the rules and procedures stipulated in the Bank's Articles of Association as follows:

- (1) Each shareholder shall have one vote for one share.
- (2) Candidates for directors are elected on an individual basis, and the shareholders must cast all their votes and may not divide their votes among more than one of the candidates.
- (3) The election of candidates is decided by a majority vote, and in the event of a tie vote, the Chairman of the meeting shall have the deciding vote.

2. As to the appointment of a replacement directors by the Board of Directors for reasons other than retirement by rotation which requires the votes of not less than three quarters of the remaining directors, such replacement director shall serve only the remaining term of the director whom he/she replaces.

Every year Krungsri entitles the shareholders to nominate persons to be elected as the directors three months before Krungsri delivers the notification of the annual general meeting of shareholders. In this respect, an announcement for exercising their rights is disseminated to the shareholders via the Stock

Exchange of Thailand's system and the nomination criteria are disclosed on Krungsri's website.

• Qualifications for Independent Directors

Krungsri has established the following qualifications for independent directors which conform to the notification of the Capital Market Supervisory Board, with a more stringent provision on shareholding in order to bolster investor confidence and maintain the balance of sound management as detailed below:

1. Holding not more than 0.5 percent of the total voting shares of Krungsri, parent company, subsidiary company, associated company, major shareholder or control person of Krungsri. Any shares held by related persons* must also be counted.
2. Within two years prior to the appointment, not being or never having been a non-independent director, manager, person with power of management, contract staff, employee, salaried advisor or control person of Krungsri, parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or control person of Krungsri.
3. Having no family blood or legitimate registration relationship as father, mother, spouse, brother, sister, child and child's spouse with other director(s), any executive, major shareholder, control person or person nominated as a director, executive or control person of Krungsri, subsidiary company or associated company.
4. Within two years prior to the appointment, not having or having never had business relationship with Krungsri, parent company, subsidiary company, associated company, major shareholder or control person of Krungsri in a manner that may obstruct independent discretion. Also, not being or having never been a principal shareholder or control person of those having business relationship with Krungsri, parent company, subsidiary company, associated company, major shareholder, or control person of Krungsri.
5. Within two years prior to the appointment, not being or having never been the auditor of Krungsri, parent company, subsidiary company, associated company, major shareholder or control person of Krungsri including principal shareholder, control person or partner of an audit firm which employed the auditor of Krungsri, parent company, subsidiary company, associated company, major shareholder, or control person of Krungsri.

6. Within two years prior to the appointment, not being or having never been the professional service provider including legal advisor or financial advisor obtaining more than 2.0-million-baht annual service fee from Krungsri, parent company, subsidiary company, associated company, major shareholder or control person of Krungsri, including a principal shareholder, control person, or partner of such professional firm.
7. Not being the director who was appointed as the representative of the Bank's directors, major shareholder, or other shareholder related to the major shareholder of Krungsri.
8. Not operating any business which has the same nature as and is in competition with the business of Krungsri, subsidiary company or associated company, or being principal partnership or executive director, contract staff, employee, salaried advisor, or holding more than 0.5 percent of the total voting shares of another company/partnership which operates the same business and is in competition for the business of Krungsri, subsidiary company or associated company.
9. Not having any other characteristics which may cause inability to provide independent opinions related to the business operation of Krungsri Group.

Also, consideration of the above relationship period must be in accordance with notifications of the Capital Market Supervisory Board.

Independent directors who have qualifications under items 1-9 may be assigned by the Board of Directors to make collective decisions related to business operations of Krungsri, parent company, subsidiary company, same-level subsidiary company, or any juristic persons which may have a conflict of interest with Krungsri. In this regard, it shall not be deemed that such independent directors participate in the management.

Remark: * 'Related person' as defined by the Capital Market Supervisory Board means a person or a partnership having relationship with a person in any of the following manners:

- (a) a spouse of such person;
- (b) a minor child of such person;
- (c) an ordinary partnership in which such person or the person under (a) or (b) is a partner;
- (d) a limited partnership in which such person or the person under (a) or (b) is a partner with unlimited liabilities, or a partner with limited liabilities holding shares in an aggregate number of more than 30 percent of the total number of shares of such limited partnership;
- (e) a limited company or a public limited company in which such person or the person under (a) or (b) or the partnership under (c) or (d) holds shares in an aggregate number of more than 30 percent of the total paid-up shares of such company;

- (f) a limited company or a public limited company in which such person or the person under (a) or (b) or the partnership under (c) or (d) or a company under (e) holds shares in an aggregate number of more than 30 percent of the total paid-up shares of such company;
- (g) a juristic person in which such person has managing authority as a representative of the juristic person.

► Nomination of Senior Executives

Krungsri, by the NRC, has established the criteria for the nomination/promotion/appointment of executives at the level of Executive Vice President and above as follows:

• Qualifications of Executives

1. Characteristics
 - (1) Demonstrate integrity and accountability.
 - (2) Make decisions based on informed judgment.
 - (3) Be mature and stable, a good listener and willing to provide different and independent opinions.
 - (4) Work in accordance with principles.
2. Have knowledge and expertise as well as experience relating to the banking industry.
3. Possess qualifications in compliance with the requirements of government authorities, i.e., the Bank of Thailand, the Securities and Exchange Commission, and the Stock Exchange of Thailand.

• Method for the Nomination/Promotion/ Appointment of Executives at the Level of Executive Vice President and above

The Human Resources Group considers the succession plan and selects appropriate executives as candidates for vacancies. In cases where there are no appropriate internal candidates, the Human Resources Group will consider external candidates who possess appropriate qualifications and propose their names to the NRC for consideration and endorsement. The names of the persons who have been endorsed by the NRC will be further proposed to the Board of Directors for consideration and approval.

SHAREHOLDING OF DIRECTORS AND EXECUTIVES IN KRUNGSRI

(As defined by the Capital Market Supervisory Board)

Name-Surname	December 31, 2023			December 31, 2022			Total Shares Increase/ (Decrease) During the Year (shares)
	No. of Shares		Total Shareholding (%) ^{1/}	No. of Shares		Total Shareholding (%) ^{1/}	
	Directors/ Executives	Spouse and Minor children		Directors/ Executives	Spouse and Minor children		
Independent Directors							
1. Mr. Noriaki Goto	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
2. Dr. Jamlong Atikul	-	-	-	-	-	-	-
3. Mrs. Tongurai Limpiti	-	-	-	-	-	-	-
4. Dr. Wittaya Watcharawittayakul	-	-	-	-	-	-	-
5. Professor Dr. Sakda Thanitcul	-	-	-	-	-	-	-
Non-Executive Directors							
6. Mr. Virat Phairatphiboon	-	-	-	-	-	-	-
7. Mr. Masakazu Osawa	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
8. Mr. Jiro Omori	-	-	-	-	-	-	-
9. Miss Nopporn Tirawattanagool	-	-	-	-	-	-	-
10. Mr. Pornsanong Tuchinda	-	-	-	-	-	-	-
Executive Directors							
11. Mr. Kenichi Yamato	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
12. Miss Duangdao Wongpanitkrit	-	-	-	-	-	-	-
Executives							
13. Mr. Bunsei Okubo	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
14. Mr. Phonganant Thanattrai	-	-	-	-	-	-	-
15. Mr. Sayam Prasitsirigul	-	-	-	-	-	-	-
16. Mr. Chandrashekar Subramanian Krishoolndmangalam	-	-	-	-	-	-	-
17. Miss Puntipa Hannoraseth	-	-	-	-	-	-	-
18. Mr. Pairote Cheunkrut	-	-	-	-	-	-	-
19. Mr. Vasin Udomratchatavanich	-	-	-	-	-	-	-
20. Mr. Prakob Phiencharoen	-	-	-	-	-	-	-
21. Miss Duangkamol Limpuangthip	-	-	-	-	-	-	-
22. Mr. Kittichai Singha	-	-	-	-	-	-	-
23. Mr. Hirotaka Kuroki	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
24. Mr. Wirote Chuenratanakul	-	-	-	-	-	-	-
25. Mr. Yoshio Ueyama	-	-	-	-	-	-	-
26. Mr. Thitivorn Chothayaphorn	-	-	-	-	-	-	-
27. Miss Ninlawan Jeeraboon	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
28. Mrs. Thidarat Sethavaravichit	1,000	-	0.0000	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}

Remarks: ^{1/} Including spouse and minor children. As at December 31, 2022 and December 31, 2023, Krungsri had a total of 7,355,761,773 issued shares.

^{2/} In 2022, he/she was not the director and/or the executive under the definition of the Capital Market Supervisory Board.

KEY CORPORATE GOVERNANCE PERFORMANCE REPORT

SUMMARY OF THE BOARD OF DIRECTORS' PERFORMANCE FOR THE YEAR 2023

- The Board of Directors has reviewed Krungsri's Mission, Vision, and Core Values, and resolved to leave them unchanged on the grounds that they are still aligned with long-term business direction.
- The Board of Directors has supervised and monitored the management to ensure that the business is in accordance with the specified policies, strategies, and business plans in the Medium-Term Business Plan. The management shall report the operating results to the Board of Directors meeting for acknowledgment, for example, monthly performance report, monthly enterprise-wide risk report, and quarterly report on the implementation of the Medium-Term Business Plan. The Board of Directors will express their opinions or recommendations to the management to ensure that the business plans are implemented in the same direction and the goals have been accomplished.
- The Board of Directors has determined and reviewed various policies covering Krungsri and companies in Krungsri's financial business group such as the Policy for Personal Data Protection, Policy for Conflict of Interest, Policy for Whistleblowing, and Policy and Program for Anti-Bribery and Corruption, which is a policy that has combined the Policy for Gift and Entertainment and Policy for Anti-Corruption.
- Krungsri organized the 2023 Krungsri Leadership Meeting under the theme 'Make Life Simple with E3 (Exploit, Explore, Enhance),' communicating to approximately 500 senior executives in Krungsri Group. The purpose was to acknowledge and ensure that the business operations of companies in Krungsri's Financial Business Group aligned with the Krungsri Group's business plan. Additionally, a video clip summarizing key content from the event was published for all Krungsri employees to view and acknowledge.

► DIRECTORS' NOMINATION AND INDUCTION

In 2023, nomination of directors was carried out by the Nomination and Remuneration Committee whereby individual qualifications and other prerequisites are as stipulated in relevant laws, regulations of Krungsri's regulators, and the Bank's

Articles of Association, and are in line with international good corporate governance principles as well as Board diversity which includes knowledge, specialized proficiencies, and gender of nominated persons as follows.

- On April 22, 2023, Mr. Masakazu Osawa was appointed as the Bank's Director (the Bank's authorized signatory), and a member of the Nomination and Remuneration Committee in replacement of Mr. Daisuke Ejima who resigned from the Bank. This appointment was approved as proposed by the Nomination and Remuneration Committee, in accordance with the resolution of the Bank's Board of Directors meeting.
- The following four directors were retired by rotation at the e-AGM No. 111: 1. Ms. Duangdao Wongpanitkrit (Executive Director); 2. Mr. Virat Phairatphiboon (Non-Executive Director); 3. Mr. Karun Kittisataporn (Non-Executive Director); and 4. Mrs. Tongurai Limpiti (Independent Director). The Nomination and Remuneration Committee then proposed to the Board of Directors to consider proposing to the e-AGM the re-election of four directors who will retire by rotation to serve as Bank directors for another term. In voting for electing directors, Krungsri facilitated shareholders in electing directors individually by allowing shareholders to cast their votes in selecting each director being nominated. The shareholders were also entitled to propose agenda items and nominate other qualified persons to be elected as directors according to criteria posted on Krungsri's website. However, no shareholder proposed any agenda item or nominated any other person for director election.
- On May 15, 2023, Mr. Kenichi Yamato was appointed as the Bank's Director (the Bank's authorized signatory) and the President and Chief Executive Officer in replacement of Mr. Seiichiro Akita who resigned from the Bank. This appointment was approved as proposed by the Nomination and Remuneration Committee, in accordance with the resolution of the Bank's Board of Directors meeting.
- On July 25, 2023, Mr. Noriaki Goto was elected as the Bank's Director (Independent Director) and appointed as the Chairman of the Board in replacement of Mr. Karun Kittisataporn who resigned from the Bank. This appointment was approved as proposed by the Nomination and Remuneration Committee, in accordance with the resolution of the Bank's Board of Directors meeting.

Krungsri arranged inductions for the aforementioned three new directors, presented by the Chairman, the President and Chief Executive Officer, and the senior executives

who are responsible for core business groups of Krungsri, e.g., Head of JPC/MNC Banking, Head of Retail and Consumer Banking, Chief Information and Digital Officer, Head of Corporate and Investment Banking Group, Chief Financial Officer, Chief Risk Officer, and Chief Compliance Officer in order for the new directors to be informed and have the opportunity to ask questions about Krungsri's business operations in various areas. Furthermore, the Corporate Secretary was called upon to provide the new directors information on Krungsri Group's good corporate governance, performance of duties, Board of Directors meetings, and access to meeting documents and other important information prepared for directors to carry out their work, by means of an e-Document System.

► DIRECTORS' DEVELOPMENT

In 2023, Krungsri organized the In-house training about ESG for the Directors i.e., Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand (Session 1 and 2), New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure), lecture by Deloitte, and Transition Finance: Commercial Banks' Decarbonization Pathway & MUFG's Case Study – Transition Whitepaper, lecture by ESG Finance Department APAC from MUFG, whereby all directors attended the training courses. Krungsri also presented training courses on a variety of topics by external speakers both in and outside the country. In addition, there were trainings through an e-Learning system that were selected as being useful or in the interest of the directors, for each director to choose to attend.

Furthermore, in addition to attending other training courses of directors organized by various regulatory agencies/institutions, at the Board of Directors meetings, all directors had the opportunity to receive useful information that helped to broaden their perspective on the performance of their duties from various departments, e.g., analysis of information on economic conditions, and risks and cybersecurity updates.

Details on training history are shown in the Annual Registration Statement/Annual Report (Form 56-1 One Report) in Attachment 1.

► PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS AND THE OVERSIGHT COMMITTEES

Krungsri arranged for the 2023 performance evaluation of the Board of Directors and the Oversight Committees reporting to the Board of Directors, i.e., the Audit Committee, the Nomination and Remuneration Committee, the Risk and Compliance Committee, and the Executive Committee, according to set criteria and guidelines, and reported the

results, comments, and suggestions to the Board of Directors and other committees so that they could be informed and use that information to enhance operational efficiency for maximum benefit.

In this regard, overall results of the Board of Directors and the Oversight Committees 2023 evaluation were given as 'good.'

► BOARD OF DIRECTORS MEETING

Krungsri took into account the adjustment of the working style in accordance with the 'next normal' lifestyle. Krungsri arranged for Board of Directors meetings in the form of electronic meeting (e-Meeting) via WebEx system to enable the directors living in Thailand and overseas to attend the meetings and provide opinions without difficulty. The directors were required to identify themselves in order to sign in and join the meetings. Participants were recorded either via audio, or both video and audio, for the entirety of each meeting. Electronic traffic of all participants was kept as evidence, and all actions stipulated by laws were adhered to.

MONITORING TO ENSURE COMPLIANCE WITH GOOD CORPORATE GOVERNANCE PRACTICES

(1) Prevention of Conflict of Interest

- Krungsri has established a Policy for Conflict of Interest; directors, executives, and all employees shall avoid any direct or indirect action that may cause a conflict of interest. Misuse of resources or the image of Krungsri is prohibited. Also, preventing conflict in business practices that may occur ensures fair treatment and avoids Krungsri's reputation risk. In this regard, implementations have been taken as specified, e.g.:
 - Krungsri's directors and executives as stipulated by laws and Krungsri have reported their stakes and those involved, including reporting information on holding positions and holding securities in other companies, through the Related Party Information System (RPIS) in accordance with the method and within the specified period (first-time report, quarterly, and in case of any change of information), which the Corporate Secretary collects and proposes to the Chairman and the Chairman of the Audit Committee for acknowledgment. In 2023, none of the executive directors served as a director of other listed companies.
 - The directors and executives with a conflict of interest will neither join the consideration nor vote on the agenda item in question. The information on related

interests of directors in each agenda item is recorded in the resolutions of the meeting.

- The Audit Committee considered related-party transactions or transactions that could create conflicts of interest before submission to the Board of Directors. The Audit Committee is of the opinion that such transactions are conducted on an arm's length basis under laws and regulations as a normal business transaction between the Group and its customers. Krungsri discloses related-party transactions in the Annual Registration Statement/Annual Report (Form 56-1 One Report) under the topic, 'Related-Party Transactions'.
- Krungsri communicated to directors, senior management, and employees by email to acknowledge policy and procedures for conflict of interest as well as require disclosure of activities or relationships that may cause conflicts of interest. In addition, all employees and executives must attend a compulsory S&L course in the e-Learning platform, which is refreshed every two years, and pass with a minimum score of 70 percent. Training materials have been sent to all directors to study the information as well.
- In 2023, Krungsri neither violated nor failed to comply with the criteria for related-party transactions, the sale and purchase of assets, and offenses related to conflicts of interest as stipulated by regulators such as the Securities and Exchange Commission or the Stock Exchange of Thailand.
- Employees shall take appropriate care of information that is not yet publicly available and take any action based on the principle of the 'need to know' basis.
- Krungsri's directors and executives as stipulated by laws and Krungsri shall report any changes of their holding of Krungsri's securities or derivatives of themselves or persons with a relationship as specified by regulations within three business days after the date of purchase, sale, transfer, or acceptance of a transfer of Krungsri's securities or derivatives to the Securities and Exchange Commission for acknowledgement (except for newly appointed directors and executives whose names have not yet been listed in the Securities and Exchange Commission's Directors and Executives Information System; they are required to report their changes in securities and derivatives holding to the Securities and Exchange Commission within seven business days after the changes) and are required to inform the Corporate Secretary to report to the Board of Directors.
- In terms of governance, Krungsri requires employees who may have inside information to report their securities holdings and assigns the compliance function to review the securities holdings of such employees with regards to whether they have used or may have used inside information for trading in securities in violation of the laws and Krungsri's internal procedures. In addition, Krungsri directors, executives, and employees are prohibited from trading shares of Krungsri and/or financial business group including shares of Ngern Tid Lor Public Company Limited during a period of three business days before and after the announcement of Krungsri's financial results or financial statements (blackout period), including requiring directors, executives, and restricted employees and related persons to hold shares of Krungsri and/or financial business group including shares of Ngern Tid Lor Public Company Limited for not less than 90 days after the date of acquisition, and certain groups of employees may be prohibited from trading Krungsri's shares (restricted persons) in some cases. In addition, the Bank requires that relevant employees who wish to trade securities of the Bank's customers (including the customers' affiliates and parent company) obtain approval from their supervisors and Governance Compliance Department (formerly Corporate Compliance Department) before engaging in such trading.
- In 2023, there were no cases of insider trading of securities or derivatives committed by Krungsri's directors, executives, or employees.

(2) Use of inside information to seek unlawful benefits for oneself or others

- All Krungsri's directors, executives, and employees are required to strictly abide by the relevant laws, regulations, policies, and directives, as well as Good Corporate Governance Principles of Krungsri. Use of Krungsri's inside information or information undisclosed to the public for the benefit of oneself or others is prohibited.
- Use of Material Non-Public Information (MNPI), which means the use of internal or inside information (which is not publicly disclosed to investors) for the purpose of trading securities, is prohibited since it is a violation of the laws and conflict of interest regulations. All directors, executives, and employees of Krungsri must strictly comply with relevant laws and regulations, including the law on financial institutions' business and the law on securities and stock exchange.

(3) Anti-Bribery and Corruption

Krungsri is committed to the continuous improvement and strengthening of anti-bribery and anti-corruption measures, and understands that being an organization with transparent operations and free of fraud and corruption will help build confidence among all stakeholders, and is also in line with the Good Corporate Governance Principles. Details of Krungsri Group's policies and programs related to anti-fraud and anti-bribery and corruption efforts are shown in the Annual Registration Statement/Annual Report (Form 56-1 One Report) under the topic, 'Thai Private Sector Collective Action Against Corruption'.

(4) Whistleblowing

- Krungsri has established a Policy for Whistleblowing as a basic framework for whistleblowing to encourage the reporting of employees' actions that may violate the law, policies, procedures, and business ethics, as well as to build confidence for whistleblowers and all stakeholders that they will be treated fairly.
- Whistleblowers or complainants can report matters or complaints through the following channels:
 1. Supervisor or next-level supervisor who is trusted by the complainant
 2. Compliance Group (Compliance executive)
 3. Ombudspersons through three channels:
 - Phone: For Head Office Tel. 85588, Branch Tel. 0-2296-5588
 - Mail: P.O. Box 169, Yannawa, Bangkok 10120
 - Intranet: Krungsri Portal > Compliance > Ombuds Corner
 4. Branch Standards Supervision Department Tel. 83456, press 1, then press 2
 5. Human Resources Group HR Hotline Tel. 85577
 6. Audit Committee
 - email: audit.committee@krungsri.com
 - Mail to: The Audit Committee
Bank of Ayudhya PCL, Head Office
1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
 7. MUFG Channel (English or Japanese language only)
 - Nishimura & Asahi Law Firm
Otemon Tower, 1-1-2 Otemachi, Chiyoda-ku, Tokyo, 100-8124, Japan
email: mufgwhistleblow@nishimura.com
 - MUFG Audit Committee
JP-Tower, 2-7-2, Marunouchi, Chiyoda-ku, Tokyo, 100-0005, Japan
email: mufg-group-helpline_kansaiinkai_PF@mufg.jp
- Information of the whistleblower or complainant, and persons involved, will be treated as confidential; it cannot be accessed by unrelated persons and, if necessary, shall be disclosed subject to laws or permission from the whistleblower or complainant and only to the person(s) involved.
- All investigation processes are carried out without delay and with fair consideration. Krungsri will collect information from whistleblowers or complainants, coordinate with the functions involved, track progress, and report the results of the investigation to the whistleblower or the complainant in case the identity of the whistleblower or the complainant is known, including reporting the results of operations to the executives and committees involved, as the case may be. Any clues or complaints related to senior management will be reported to the President and Chief Executive Officer. In cases involving the President and Chief Executive Officer, the Chairman of the Board of Directors shall receive the report.
- Krungsri strictly prohibits any retribution, persecution, or harassment against whistleblowers or persons involved in the examining process. Any acts of retribution will result in a severe disciplinary action, including termination of employment.
- Providing false whistleblowing or complaints, falsifying, distorting, or destroying evidence, suppressing the investigation of relevant facts, and obstruction of investigation by the competent authority is considered a violation of the Bank's disciplinary measures and may be considered an illegal act.
- In 2023, Krungsri received whistleblowing on matters that may be considered an act of fraud or a violation of the law and regulations, The Spirit & The Letter (S&L), policies, and procedures including the directive on Good Corporate Governance Principles and business ethics through the abovementioned whistleblowing channels, for a total of 17 issues (information from December 21, 2022, to December 31, 2023), which can be summarized as follows:
 1. **Investigations were conducted and completed for 17 issues**, divided into:
 - Issues related to compliance with laws, policies, procedures and business ethics, a total of 10 issues.
 - Other issues, e.g., improper performance of duties, inappropriate behavior, and unfair compensation, a total of 7 issues.

2. No complaints regarding human rights still pending

Krungsri has not received any complaints, reports, or lawsuits regarding human rights issues arising from the activities and business operations of Krungsri Group that are still in process.

REPORT ON THE PERFORMANCE OF THE COMMITTEES REPORTING TO THE BOARD OF DIRECTORS (DIRECTOR LEVEL) IN THE PAST YEAR

► AUDIT COMMITTEE

The Audit Committee performed duties within the scope and responsibilities specified in the Charter of the Audit Committee as assigned by the Board of Directors. In 2023, there were 14 meetings in total, including meetings with the management, senior executives from relevant groups, and internal auditor, including two meetings with the auditor specifically without the management as well as two meetings with the Audit Committee in Krungsri Group. The meeting attendance of the individual Audit Committee members appears in the topic, 'Meetings of the Directors'.

In addition, the Audit Committee reported the results of each meeting to the Board of Directors for acknowledgement, which covers the following matters:

1. Financial reports
2. Internal control system and internal audit
3. Related-party transactions or transactions that may create conflicts of interest
4. Good governance
5. Risk management
6. Compliance with regulatory requirements
7. External auditor
8. Others

► OTHER COMMITTEES

Oversight Committees reporting to the Board of Directors consisting of all Bank directors, i.e., the Nomination and Remuneration Committee, and the Risk and Compliance Committee have performed duties as assigned by the Board of Directors as stipulated in the committee charters. In 2023, each subcommittee held meetings and regularly reported its operations to the Board of Directors. In this regard, attendance of committee meetings is individual for each committee, and the results of the subcommittees' performance are reported as appeared in the Annual Registration Statement/Annual Report (Form 56-1 One Report) under the topic, 'Management Structure' and shown in Attachments 6, 8, and 9.

REMUNERATION OF DIRECTORS AND EXECUTIVES

(as per definitions determined by the SEC)

- **Remuneration of Directors:** The Bank has established clear and transparent policies related to directors' remuneration which is comparable to the level paid in the industry and the remuneration has been approved by the shareholders' meeting. Directors appointed as members of the Audit Committee, the Nomination and Remuneration Committee, or the Risk and Compliance Committee receive additional compensation commensurate with the increased workload.

- **Remuneration of executives:** Remuneration of executives is in accordance with the principles and policies set by the Board of Directors and linked to business performance of the Bank and their individual performance.

- **Remuneration in 2023:** Remuneration paid by the Bank in 2023 to directors and executives is as per the following details:

► CASH REMUNERATION

- (1) Total director's remuneration (retainer fee, other annual compensation, and attendance fee) of the 15 directors amounts to 65,594,793.55 baht. Details of the remuneration paid to each director are as follows:

Unit: Baht							
List of Directors	Remuneration of the Board of Directors			Remuneration of the Audit Committee	Remuneration of the Nomination and Remuneration Committee	Remuneration of the Risk and Compliance Committee	Total Remuneration
	Retainer fee	Attendance fee	Other Annual Compensation				
Non-Executive Directors							
1. Mr. Karun Kittisataporn ^{1/} - Chairman of the Board of Directors	2,221,935.48	989,032.26	1,381,935.48	-	-	-	4,592,903.22
2. Mr. Masakazu Osawa ^{2/} - Member of the Nomination and Remuneration Committee	1,809,400.00	871,500.00	904,700.00	-	581,000.00	-	4,166,600.00
3. Mr. Pornsanong Tuchinda - Member of the Risk and Compliance Committee	2,616,000.00	1,260,000.00	1,308,000.00	-	-	840,000.00	6,024,000.00
4. Mr. Jiro Omori - Member of the Risk and Compliance Committee	2,616,000.00	1,260,000.00	1,308,000.00	-	-	840,000.00	6,024,000.00
5. Mr. Daisuke Ejima ^{3/} - Vice Chairman - Member of the Nomination and Remuneration Committee	552,774.19	266,225.81	280,451.61	-	142,258.06	-	1,241,709.67
6. Ms. Nopporn Tirawattanagool - Member of the Nomination and Remuneration Committee - Member of the Risk and Compliance Committee	2,616,000.00	1,260,000.00	1,308,000.00	-	840,000.00	840,000.00	6,864,000.00
7. Mr. Virat Phairatphiboon - Chairman of the Risk and Compliance Committee - Member of the Nomination and Remuneration Committee	2,616,000.00	1,260,000.00	1,308,000.00	-	840,000.00	924,000.00	6,948,000.00
Independent Directors							
8. Mr. Noriaki Goto ^{4/} - Chairman	1,714,064.52	762,967.74	1,066,064.52	-	-	-	3,543,096.78
9. Ms. Tongurai Limpiti - Chairman of the Audit Committee	2,616,000.00	1,260,000.00	1,308,000.00	924,000.00	-	-	6,108,000.00

Unit: Baht

List of Directors	Remuneration of the Board of Directors			Remuneration of the Audit Committee	Remuneration of the Nomination and Remuneration Committee	Remuneration of the Risk and Compliance Committee	Total Remuneration
	Retainer fee	Attendance fee	Other Annual Compensation				
10. Dr. Jamlong Atikul ^{5/} - Vice Chairman - Chairman of the Nomination and Remuneration Committee - Member of the Audit Committee	3,154,258.07	1,519,161.29	1,597,064.52	840,000.00	924,000.00	-	8,034,483.88
11. Dr. Wittaya Watcharawittayakul - Member of the Audit Committee	2,616,000.00	1,260,000.00	1,308,000.00	840,000.00	-	-	6,024,000.00
12. Prof. Dr. Sakda Thanitcul - Member of the Audit Committee	2,616,000.00	1,260,000.00	1,308,000.00	840,000.00	-	-	6,024,000.00
Executive Directors *							
13. Mr. Seiichiro Akita ^{6/}	-	-	-	-	-	-	-
14. Mr. Kenichi Yamato ^{7/}	-	-	-	-	-	-	-
15. Ms. Duangdao Wongpanitkrit	-	-	-	-	-	-	-

Remark: * Executive directors are not entitled to remuneration paid to directors.

^{1/} End of tenure effective on July 25, 2023

^{2/} Appointed as Director/Member of the Nomination and Remuneration Committee effective on April 22, 2023

^{3/} End of tenure effective on March 2, 2023

^{4/} Appointed as Chairman effective on July 25, 2023

^{5/} Appointed as Vice Chairman effective on March 2, 2023

^{6/} Completion of assignment as President and Chief Executive Officer effective on May 15, 2023

^{7/} Appointed as President and Chief Executive Officer in replacement of Mr. Seiichiro Akita effective on May 15, 2023

(2) The Executive Committee is not paid any remuneration.

(3) The total executives' remuneration paid in 2023 are as follows:

(3.1) Remuneration in the form of salary and bonus paid to the executives as defined by the Capital Market Supervisory Board, i.e. President and Chief Executive Officer, executives at Executive Vice President level and above who report directly to the President and Chief Executive Officer, Chief Financial Officer, and any persons assigned to act on behalf of the aforesaid positions totaling 18 persons, amounts to 258,698,563.54 baht.

(3.2) Remuneration in the form of salary and bonus paid to the executives as defined by the Bank of Thailand, i.e. executives at Executive Vice President level and above, totaling 103 persons, amounts to 953,924,355.98 baht.

Remark: - 14 executives newly joined/appointed during the year

- 11 executives resigned from Krungsri during the year

► Other remuneration

Directors and executives are entitled to receive other benefits and welfare in accordance with Krungsri's regulations. Directors are entitled to receive medical benefits, annual health check-up, and company car. Krungsri executives are entitled to receive other benefits and welfare, i.e. medical benefits, health check-up, life and accident insurance, staff loans, social security contribution and provident fund

contribution. In 2023, the Bank's provident fund contribution for executives under item (3.1) was 10,575,697.82 baht in total while the provident fund contribution for executives under item (3.2) was 42,921,790.24 baht in total. In addition, Krungsri does not provide any non-cash remuneration such as shares/warrants to executives.

PERSONNEL

▶ NUMBER OF EMPLOYEES

As of December 31, 2023, Krungsri has a total number of 13,952 employees, which could be classified into Male 4,375 persons and Female 9,577 persons; and classified by education level into Lower than Bachelor's Degree 147 persons, Bachelor's Degree 10,009 persons, and Master's Degree and Higher 3,796 persons. Also, they could be classified by functional groups as follows:

	No. of employees (person)
Executives (Executive Vice President and above)	94
JPC/MNC Banking	175
Retail and Consumer Banking	2
Krungsri Auto Group	1,800
Krungsri Consumer Group	0
Distribution Group	5,579
Retail Products and Marketing Group	236
High Net-Worth Division	22
Mass Retail Division	60
Retail and Consumer Banking Strategy Division	4
Regional Business Division	4
Information and Digital	0
Information Technology Group	784
Digital Innovation and Data Group	330
IT Security Division	49
IT and Digital Delivery Management Division	149
IT and Digital Strategy Management Division	43
Office of the President and Chief Executive Officer	0
Corporate and Investment Banking Group	359
SME Banking Group	755
Transaction Banking Group	175
Operations Group	1,339
Credit Underwriting Group	270
Global Markets Group	117
Internal Audit Group	186
Risk Management Group	477
Corporate Strategy and Planning Group	382
Finance Group	200
Human Resources Group	223
Legal Group	22
Compliance Group	99
Corporate Secretariat Department	17

▶ CHANGE IN THE NUMBER OF EMPLOYEES

In 2023, the number of employees of Krungsri increased by approximately 1.40 percent when compared to the previous year. There is no significant matter relating to labor dispute during the past three years.

▶ EMPLOYEE REMUNERATION

The total remuneration of 13,952 employees in 2023 was 15,795,066,024.47 baht, consisting of salary, bonus, economic assistance, and provident fund contribution.

Krungsri has determined remuneration and fringe benefit policies as follows:

- Krungsri would provide fair and competitive remunerations compared with those of other banks and leading companies based on Krungsri's criteria and the remuneration survey results from the country's leading firms in human resources consultation.
- Krungsri would provide the fringe benefits in line with the employees' needs such as annual leave, life and health insurance, provident fund, and employee scholarships.

▶ HUMAN RESOURCES DEVELOPMENT

Krungsri has fully recognized that our human capital is an invaluable asset and a key factor that propels Krungsri toward attainment of our short- and long-term goals. With that in mind, we focus on promoting people excellence to enhance individual performance and support the organization to effectively leverage and ride the digital wave. We prepare our personnel to address the changes in the Next Normal era and encourage innovative changes to enhance productivity including employee productivity and competitiveness to achieve sustainable business growth. On top of that, we have attached importance to upskilling and reskilling and providing our human capital with an opportunity for personal development and career advancement amid the business challenges and technological revolution.

In 2023, Krungsri designed six learning programs for Krungsri executives and staff as follows:

1. **Achieving Everyday Success:** To develop fundamental skills to support employees in delivering results smoothly and achieving success in everyday working life. The program covers contents about Krungsri Core Values and leadership competencies.
2. **Striving Beyond Your Best:** To support employees in enhancing their skills to deliver greater results through increased self effectiveness, team effectiveness, and business effectiveness.

3. **Getting Ready for Future:** To upskill and reskill as well as to prepare human capital for their professional development and career advancement through developing mindset, broadening knowledge and enhancing necessary skills. Also, the program focuses on creating well-rounded employees who can demonstrate creativity in their work to create an innovative organization and increase productivity at individual, team, and organizational levels to maximize the value and strengthen business competitiveness for the organization to achieve sustainable business growth. The program includes Data Analytic Bootcamp and Personalized Data Development Track under Krungsri School of Data to enhance skills in data analytics to improve decision making and increase business value for the organization as well as Krungsri School of Digital and Tech to enhance digital and technology skills, etc.
4. **Winning Business Challenge:** To broaden knowledge necessary for learners to keep pace with and win business challenges.
5. **Growing Expertise:** To enhance specific expertise and professionalism as well as service excellence of specific group of employees in order to support Krungsri toward becoming a customer-centric organization that delivers best customer experience.
6. **Leading to the NEXT Level:** To prepare talents and successors to grow further to the next career level to lead the organization toward sustainable growth. The program includes 'TRANSCEND' and 'TRANSITION' executive development programs, 'People Manager 101' to deepen managers' understanding of People Manager role in managing team and promoting compliance culture and fostering Krungsri culture. Furthermore, People Manager's Toolkits have been developed to equip managers with tools for managing team and promoting positive employee experience. Focus is also given to succession planning for critical positions and formulation of individual development plan, etc.

Krungsri also offers an opportunity for our people to develop and grow in their career amid the business challenges and technological revolution. We encourage all our executives and staff to enhance their competencies through various modern learning channels with a variety of learning formats that could effectively cater to different learning styles and needs as well as digital learning solutions available on various platforms to effectively respond to continuous personal development and skill enhancement and learning agility development in a convenient manner anytime and anywhere. Also, we attach importance to instilling a growth mindset in all our executives and staff to encourage them to enjoy learning new things and continuously improve themselves as well as efficiently adapt to the hybrid work environment.

In 2023, Krungsri employees received trainings of 57.10 hours on average.

In addition to creating people excellence, Krungsri has designed learning programs that reinforce good corporate citizenship, foster ethical behaviors and responsibility to stakeholders, society, and environment, including courses on personal data protection, IT security, anti-money laundering & combating financing of terrorism (AML/CFT), good corporate governance principles, Environmental, Social and Governance (ESG) for Sustainable Growth, ESG: The Great Future of Banking Industry, occupational health, safety, and environment, etc. Moreover, Wholeness of Being (Health & Fitness, Mental & Emotional, Wealthy, Work Environment, Purpose & Spiritual) program has been specifically developed to ensure physical, psychological and mental fitness of our employees so that they could enjoy every aspect of their lives, resulting in overall work efficiency and effectiveness for the organization. The program include courses on maintaining physical and mental fitness during COVID-19, how to be healthy, work-life integration, wealth management in the New Normal era, provident fund, etc.

In 2023, Krungsri continued to attach importance to the use of technology to deliver integrated and effective learning and development to our human capital including talents and successors. Individual development plan has been established for each Krungsri executive. In addition to competency-based management, Krungsri also designs career development plan to provide Krungsri executives with opportunities to gain critical experiences that are crucial for them to further take on key roles in the organization.

AUDITOR'S FEE

1. Audit fees*

The Bank and its affiliates paid audit fees as the following:

- To the Bank's auditors of 32,633,400 baht and LAK 220,387,000.
- To auditing firms, individuals or businesses whom the Bank's auditors employed, USD 122,033, LAK 327,307,000 and IDR 1,870,000,000.

2. Other audit fee and Non-audit fee

The Bank paid other audit fee and non-audit fee for special purpose audit engagement audit to the Bank's auditors, in year 2023, sum of 750,000 baht, and in the future, an additional sum other audit fee of 110,000 baht will be paid for services in year 2023 agreed upon but not yet fully provided.

Remark: * Audit fees do not include other actual expenses, such as transportation and per diem payments.

RELATED PARTY TRANSACTIONS

Krungsri discloses information regarding the related party transactions under section 7.26 of notes to the Consolidated and Krungsri's financial statements for the year ended December 31, 2023 and 2022.

Krungsri and its affiliates have business transactions with subsidiaries, associates, joint ventures and related persons or companies, which Krungsri and/or its affiliates hold the shares and/or have the same major shareholders or the director or executive officer of Krungsri and/or its subsidiaries is appointed as director of that related companies. Such related party transactions are priced on an arm's length principle in the normal course of business of Krungsri, subsidiaries, associates, joint ventures and related persons or companies with the same conditions as other customers. In addition, the policy for the allowance for expected credit loss of the related parties complies with the Bank of Thailand's regulations same as other debtors.

► NECESSITY AND JUSTIFICATION FOR THE TRANSACTIONS

These related party transactions are necessary and justified in order to generate maximum benefits to Krungsri. Loans, deposits and contingent liabilities with executives from the level of executive vice presidents and above as well as loans to related companies having joint shareholding or directors in common with Krungsri are considered as part of our normal business.

► APPROVAL PROCESS OF RELATED PARTY TRANSACTIONS

All of Krungsri's related party transactions on loans are part of our normal business, as such, are subject to our normal loan approval procedures which the authorization of the amount of credit approval is clearly determined based on type of customers. Executives with related interest shall not participate in the approval process.

Other significant related party transactions are considered and approved by the authorized person and/or Financial Management Committee, Executive Committee and/or the Board of Directors, whereby the Audit Committee provides opinions concerning the necessity of such transactions and the propriety of the pricing so as to ensure that they are necessary and justified in order to generate maximum benefits to Krungsri. Type, value, and procedure for each transaction shall comply with Krungsri's internal rules regarding related party transactions.

► POLICIES AND PROSPECTS FOR RELATED PARTY TRANSACTIONS

Krungsri's policies and prospects for related party transactions in the future will remain unchanged from the previous years. Such transactions will continue to be considered as part of Krungsri's normal business which are under an arm's length basis with the same conditions as other customers.

► MAJOR RELATED PARTY TRANSACTIONS WITH INDIVIDUALS OR RELATED COMPANIES

The related party transactions, i.e. related companies, transaction type and value, are summarized as follows:

SUMMARY OF MAJOR RELATED PARTY TRANSACTIONS WITH INDIVIDUALS OR RELATED COMPANIES

As of December 31, 2023

No.	Related Companies	Interbank and money market items (Assets)	Investment	Loans and accrued interest receivables	Derivatives (Assets)	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivatives (Liabilities)	Debt issued and borrowings	Provisions	Other liabilities	Derivatives (Notional amount)	Contingent liabilities	Relationship
(Unit: Million baht)																
1	AGC Technology Solutions (Thailand) Co., Ltd.	-	-	-	-	-	-	51.90	-	-	-	-	-	-	-	C
2	Aiya (Thailand) Company Limited	-	-	-	-	-	-	14.10	-	-	-	-	-	-	-	C
3	Altech Asia Pacific Co., Ltd.	-	-	-	-	-	-	11.40	-	-	-	-	-	0.90	7.30	C
4	Asahi Kokusai Technion (Thailand) Co., Ltd.	-	-	-	-	-	-	6.50	-	-	-	-	-	-	-	C
5	BBTV Equity Co., Ltd.	-	-	-	-	95.20	16.00	2,501.20	-	-	-	-	105.20	-	7.40	A, B
6	Banco MUFG Brasil S.A.	-	-	-	-	-	-	-	0.80	-	-	-	-	-	-	C
7	Bangkok Broadcasting & T.V. Co., Ltd.	-	-	-	-	-	-	7,507.00	-	-	-	0.10	1.90	-	32.80	A, B
8	Bangkok MUFG Limited	-	-	-	-	-	-	230.90	-	-	-	-	0.40	-	-	C
9	Bangkok Mitsubishi HC Capital Co., Ltd.	-	-	2,918.90	202.20	-	-	13.90	-	45.10	-	-	-	5,319.30	-	C
10	BBTV Asset Management Co., Ltd.	-	-	-	-	-	-	235.40	-	-	-	-	-	-	-	A, B
11	BBTV New Media Co., Ltd.	-	-	0.10	-	-	-	76.60	-	-	-	-	-	-	-	B
12	BBTV Productions Co., Ltd.	-	-	-	-	-	-	39.80	-	-	-	-	-	-	-	A, B
13	BBTV Satelevision Co., Ltd.	-	-	-	-	-	-	446.00	-	-	-	-	-	-	-	A, B
14	Belle Assets Company Limited	-	-	-	-	-	-	30.70	-	-	-	-	-	-	-	B
15	Bendecs Company Limited	-	-	-	-	-	-	0.10	-	-	-	-	-	-	-	A
16	BOT Lease (Thailand) Company Limited	-	-	1,559.10	15.20	-	-	178.30	-	4.10	-	-	0.10	1,658.00	88.30	C
17	B-Quik Company Limited	-	-	-	-	-	-	1.70	-	-	-	-	11.10	-	-	C
18	MUFG Holding (Thailand) Co., Ltd.	-	-	-	-	-	-	1,338.50	-	-	-	-	2.50	-	-	C
19	MUFG Participation (Thailand) Co., Ltd.	-	-	-	-	-	-	388.10	-	-	-	-	0.70	-	-	C
20	C.K.R. Co., Ltd.	-	-	-	-	-	-	183.30	-	-	-	-	-	-	-	AB
21	CKS Holding Co., Ltd.	-	-	-	-	-	-	717.40	-	-	-	-	0.10	-	-	B
22	Conwood Co., Ltd.	-	-	0.10	-	-	-	33.50	-	-	-	1.80	-	-	0.70	B
23	Cyber Venture Company Limited	-	-	-	-	-	-	114.10	-	-	-	-	0.10	-	-	A
24	Daiki Engineering Thai Co., Ltd.	-	-	-	-	-	-	12.80	-	-	-	-	-	-	-	C
25	Dherakupt International Law Office Ltd.	-	-	-	-	-	-	9.40	-	-	-	-	-	-	-	B
26	Eastern Star Real Estate Public Company Limited	-	-	127.10	-	-	-	208.70	-	-	-	-	-	-	-	B
27	Eastern Star Resort Co., Ltd.	-	-	-	-	-	-	5.80	-	-	-	-	-	-	-	B
28	Easy Buy Public Company Limited	-	-	4,206.40	46.60	-	-	36.50	-	8.20	-	-	-	3,880.00	-	C
29	Exclusive Senior Care International Co., Ltd.	-	-	-	-	-	-	146.40	-	-	-	-	0.10	-	-	A
30	Federal Air Services Co., Ltd.	-	-	-	-	-	-	4.00	-	-	-	-	-	-	-	D

No.	Related Companies	(Unit: Million baht)														
		Interbank and money market items (Assets)	Investment	Loans and accrued interest receivables	Derivatives (Assets)	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivatives (Liabilities)	Debt issued and borrowings	Provisions	Other liabilities	Derivatives (Notional amount)	Contingent liabilities	Relationship
31	Federal Aviation Co., Ltd.	-	-	-	-	-	-	1.70	-	-	-	-	-	-	3.40	D
32	Federal Travel International Co., Ltd.	-	-	80.10	-	-	-	46.60	-	-	-	0.10	1.40	-	47.30	D
33	Fujichemi Co., Ltd.	-	-	-	0.40	-	-	21.90	-	0.10	-	-	-	72.20	-	C
34	GL Assets Co., Ltd.	-	-	-	-	-	-	1,993.90	-	-	-	-	0.20	-	-	A, B
35	Grand Canal Land Public Company Limited	-	-	-	-	-	-	57.70	-	-	-	-	-	-	-	A, B
36	Grand Fortune Limited	-	-	-	-	-	-	24.90	-	-	-	-	-	-	-	A, B
37	Grand Larn Luang Co., Ltd.	-	-	-	-	-	-	1.80	-	-	-	-	-	-	-	B
38	Great Fortune Equity Company Limited	-	-	-	-	-	-	205.90	-	-	-	-	-	-	1.20	B
39	Horkos (Thailand) Co., Ltd.	-	-	-	-	-	-	13.80	-	-	-	-	-	-	-	C
40	Insee Digital Co., Ltd.	-	-	0.10	-	-	-	61.60	-	-	-	-	-	-	-	B
41	Insee Eco Cycle Co., Ltd.	-	-	0.20	-	-	-	80.60	-	-	-	-	-	-	-	B
42	Insee Super Block Co., Ltd.	-	-	-	-	-	-	24.70	-	-	-	2.40	-	-	3.00	B
43	Iriso Electronics (Thailand) Ltd.	-	-	-	-	-	-	71.30	-	-	-	-	-	-	-	C
44	ITBC Business Consultant Group Co., Ltd.	-	-	-	-	-	-	0.10	-	-	-	-	-	-	-	A
45	Iwatani Gas And Machinery (Thailand) Ltd.	-	-	-	-	-	-	3.90	-	-	-	-	-	-	-	C
46	Japan Electrical Testing Laboratory (Thailand) Co., Ltd.	-	-	-	-	-	-	19.60	-	-	-	-	-	-	-	C
47	JBCC (Thailand) Co., Ltd.	-	-	-	-	-	-	2.20	-	-	-	-	-	-	-	C
48	JCI (Thailand) Company Limited	-	-	-	-	-	-	13.30	-	-	-	-	-	-	-	C
49	K R & Associates Co., Ltd.	-	-	-	-	-	-	46.60	-	-	-	-	-	-	-	B
50	K R O Co., Ltd.	-	-	-	-	-	-	31.60	-	-	-	-	-	-	10.40	C
51	K. Group Co., Ltd.	-	-	-	-	-	-	40.20	-	-	-	-	-	-	-	B
52	Kawata (Thailand) Co., Ltd.	-	-	-	-	-	-	14.40	-	-	-	-	-	-	-	C
53	Khao Kheow Country Club Co., Ltd.	-	-	-	-	-	-	92.70	-	-	-	-	0.10	-	0.50	A, B
54	Kose (Thailand) Co., Ltd.	-	-	-	-	-	-	6.30	-	-	-	-	-	-	-	C
55	Kumon (Thailand) Co., Ltd.	-	-	-	-	-	-	1.40	-	-	-	-	-	-	-	C
56	Kyudenko (Thailand) Co., Ltd.	-	-	-	-	-	-	0.20	-	-	-	-	-	-	-	C
57	Lanna Resources Public Company Limited	-	-	-	-	-	-	604.90	-	-	-	-	1.60	-	-	B
58	Mahakij Holding Co., Ltd.	-	-	-	-	-	-	491.80	-	-	-	-	0.10	-	-	A, B
59	Management Solutions Company Limited	-	-	-	-	-	-	0.10	-	-	-	-	-	-	-	D
60	Maruha Holdings (Thailand) Co., Ltd.	-	-	-	-	-	-	0.30	-	-	-	-	-	-	-	C
61	Media Studio Company Limited	-	-	-	-	-	-	797.80	-	-	-	-	7.90	-	2.00	B
62	Meiji (Thailand) Co., Ltd.	-	-	-	-	-	-	98.10	-	-	-	-	-	-	-	C

No.		Related Companies		(Unit: Million baht)													
		Interbank and money market items (Assets)	Investment	Loans and accrued interest receivables	Derivatives (Assets)	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivatives (Liabilities)	Debt issued and borrowings	Provisions	Other liabilities	Derivatives (Notional amount)	Contingent liabilities	Relationship	
63	Meiko Trans (Thailand) Co., Ltd.	-	-	-	-	-	-	223.60	-	-	-	-	0.80	1.20	1.70	C	
64	MUFG Securities Asia Limited	-	-	-	-	-	-	-	0.10	-	-	-	-	-	-	C	
65	MUFG Securities EMEA Plc.	-	-	-	-	-	-	-	0.10	-	-	-	-	-	-	C	
66	Mitsubishi UFJ Trust and Banking Corporation	-	-	-	-	-	-	-	2,314.90	-	-	-	143.50	-	-	C	
67	Thai MHC Co., Ltd.	-	-	-	-	-	-	381.70	-	-	-	-	1.10	-	-	C	
68	Nadex (Thailand) Co., Ltd.	-	-	-	-	-	-	43.10	-	-	-	-	-	-	-	C	
69	Nichidai Asia Co., Ltd.	-	-	-	-	-	-	28.20	-	-	-	-	-	-	-	C	
70	Nissan Trading (Thailand) Co., Ltd.	-	-	-	-	-	-	302.50	-	-	-	-	0.10	-	-	C	
71	Omori (Thailand) Co., Ltd.	-	-	-	-	-	-	4.10	-	-	-	-	-	-	-	C	
72	OTC Daihen Bangkok Co., Ltd.	-	-	-	-	-	-	27.30	-	-	-	-	-	-	-	C	
73	Phokeethra Resort & Spa Co., Ltd.	-	-	-	-	-	-	2.00	-	-	-	-	-	-	-	D	
74	Pola Cosmetics (Thailand) Co., Ltd.	-	-	-	-	-	-	18.60	-	-	-	-	-	-	-	C	
75	PPNS Associate Company Limited	-	-	-	-	-	-	0.40	-	-	-	-	-	-	-	D	
76	Ratanarak Co., Ltd.	-	-	-	-	-	-	580.00	-	-	-	-	0.30	-	-	B	
77	Ryokosha (Thailand) Co., Ltd.	-	-	-	-	-	-	0.10	-	-	-	-	-	-	-	C	
78	Ryosho Engineering (Thailand) Co., Ltd.	-	-	-	-	-	-	53.50	-	-	-	-	-	-	-	C	
79	Sankyo International Trading (Thailand) Co., Ltd.	-	-	-	-	-	-	0.70	-	-	-	-	-	-	-	C	
80	SATO Auto-ID (Thailand) Co., Ltd.	-	-	-	-	-	-	157.30	-	-	-	-	-	-	4.50	C	
81	SATO Holding (Thailand) Co., Ltd.	-	-	-	-	-	-	16.90	-	-	-	-	-	-	-	C	
82	Sekisui Plant (Thailand) Company Limited	-	-	-	-	-	-	86.80	-	-	-	-	-	-	-	C	
83	Shinko Microelectronics (Thailand) Co., Ltd.	-	-	-	-	-	-	15.60	-	-	-	-	-	-	-	C	
84	Siam City Cement Public Company Limited	-	-	2,001.70	0.20	-	-	764.90	-	-	-	0.30	0.20	92.10	29.90	A, B	
85	Siam City Cement Trading Company Limited	-	-	-	-	-	-	17.30	-	-	-	0.10	-	-	-	B	
86	Siam City Concrete Co., Ltd.	-	-	0.10	-	-	-	309.60	-	-	-	-	0.10	-	11.40	B	
87	Siam City Power Co., Ltd.	-	-	-	-	-	-	8.10	-	-	-	-	-	-	-	B	
88	Siam Marubeni International Co., Ltd.	-	-	-	-	-	-	0.70	-	-	-	-	-	-	-	C	
89	Siam Purimongkol Co., Ltd.	-	31.40	-	-	-	-	125.20	-	-	-	-	0.30	-	0.40	A, B	
90	Stronghold Assets Co., Ltd.	-	-	-	-	-	-	418.10	-	-	-	-	-	-	-	A, B	
91	Sunrise Equity Co., Ltd.	-	-	-	-	-	-	1,027.70	-	-	-	-	0.60	-	-	A, B	
92	Super Assets Co., Ltd.	-	-	-	-	-	-	391.90	-	-	-	-	0.10	-	8.10	A, B	
93	Suzuuyo (Thailand) Ltd.	-	-	-	-	-	-	120.10	-	-	-	-	0.20	-	2.10	C	
94	Tak Thai Trading Ltd.	-	-	-	-	-	-	14.90	-	-	-	-	0.10	-	-	C	
95	Thai Agro Energy Public Company Limited	-	-	929.40	-	-	-	1.90	-	-	-	1.20	-	-	-	B	

No.	Related Companies	(Unit: Million baht)														
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96	Thai Nakorn Patana Company Limited	-	-	-	-	-	-	467.50	-	-	-	-	4.90	-	-	D
97	Thai Takenaka International Ltd.	-	-	-	-	-	-	80.80	-	-	-	-	0.20	-	-	C
98	The Bangkok Lighters Co., Ltd.	-	-	-	-	-	-	386.40	-	-	-	-	0.20	-	-	A, B
99	MUFG Bank (China), Ltd.	157.00	-	-	-	-	-	-	7.30	-	-	-	-	-	-	C
100	MUFG Bank (Malaysia) Berhad	37.70	-	-	-	-	-	-	67.90	1.10	-	-	-	117.60	-	C
101	MUFG Bank (Europe) N.V.	-	-	-	-	-	-	-	173.40	-	-	-	-	-	-	C
102	The Great Luck Equity Company Limited	-	-	-	-	-	-	406.20	-	-	-	-	-	-	-	B
103	The Thai Nishimatsu Construction Co., Ltd.	-	-	-	-	-	-	295.90	-	-	-	-	-	-	-	C
104	The Thai Tapioca Flour Produce Co., Ltd.	-	-	-	-	-	-	59.90	-	-	-	-	-	-	-	A
105	T N P Health Care Co., Ltd.	-	-	-	-	-	-	4.10	-	-	-	-	-	-	-	D
106	Tonson Property Co., Ltd.	-	-	0.80	-	-	-	0.20	-	-	-	-	-	-	-	B
107	Towa Denki (Thai) Co., Ltd.	-	-	-	-	-	-	43.50	-	-	-	-	-	-	-	C
108	Toyota Body Service Co., Ltd.	-	-	-	-	-	-	71.90	-	-	-	-	-	-	-	C
109	Trancy Logistics (Thailand) Co., Ltd.	-	-	-	-	-	-	326.20	-	-	-	-	-	-	-	C
110	TSK Engineering (Thailand) Co., Ltd.	-	-	-	0.10	-	-	343.00	-	-	-	-	0.30	12.00	-	C
111	Tun Rungrueng Co., Ltd.	-	-	-	-	-	-	428.00	-	-	-	-	-	-	-	B
112	V&V Bangkok Co., Ltd.	-	-	-	-	-	-	0.50	-	-	-	-	-	-	-	D
113	V-Cube (Thailand) Co., Ltd.	-	-	-	-	-	-	1.30	-	-	-	-	-	-	-	C
114	Yushin Precision Equipment (Thailand) Co., Ltd.	-	-	-	-	-	-	18.10	-	-	-	-	-	-	-	C
115	MUFG Bank Turkey Anonim Sirketi	-	-	-	-	-	-	-	0.10	-	-	-	-	-	-	C
116	Federal Holdings Co., Ltd.	-	-	-	-	-	-	23.90	-	-	-	-	-	-	-	D
117	Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank)	7.80	-	-	-	-	-	-	-	-	-	-	-	-	-	C
118	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	-	-	-	-	-	-	-	0.20	-	-	-	-	-	-	C
119	Sanaru (Thailand) Co., Ltd.	-	-	-	-	-	-	1.80	-	-	-	-	-	-	-	C
120	Hoshizaki (Thailand) Co., Ltd.	-	-	-	-	-	-	34.20	-	-	-	-	-	-	-	C
121	Ryoyo Service (Thailand) Co., Ltd.	-	-	-	-	-	-	7.50	-	-	-	-	-	-	-	C
122	Kikuchi (Thailand) Co., Ltd.	-	-	-	-	-	-	1.70	-	-	-	-	-	-	-	C
123	Mu Research And Consulting (Thailand) Co., Ltd.	-	-	-	-	-	-	18.20	-	-	-	-	-	-	-	C
124	Jeol Asia (Thailand) Co., Ltd.	-	-	-	-	-	-	10.40	-	-	-	-	-	-	-	C
125	National Digital ID Co., Ltd.	-	12.10	-	-	-	2.50	-	-	-	-	-	0.10	-	-	A
126	Genghis Holdings Co., Ltd.	-	-	0.90	-	-	-	0.80	-	-	-	-	-	-	-	B
127	Daiso Holdings (Thailand) Co., Ltd.	-	-	-	-	-	-	0.50	-	-	-	-	-	-	-	C

No.	Related Companies	(Unit: Million baht)														
		Interbank and money market items (Assets)	Investment	Loans and accrued interest receivables	Derivatives (Assets)	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivatives (Liabilities)	Debt issued and borrowings	Provisions	Other liabilities	Derivatives (Notional amount)	Contingent liabilities	Relationship
128	Siam Toyo Denki Co., Ltd.	-	-	-	-	-	-	22.30	-	-	-	-	-	-	-	C
129	Shoei Asia Co., Ltd.	-	-	-	-	-	-	9.20	-	-	-	-	-	-	-	C
130	Konica Minolta Solutions & Services (Thailand) Co., Ltd.	-	-	-	-	-	-	3.40	-	-	-	-	-	-	-	C
131	Bangna Auto Sale Co., Ltd.	-	-	-	-	-	-	0.60	-	-	0.10	-	-	-	-	A
132	Takeda Printing (Thailand) Co., Ltd.	-	-	-	-	-	-	14.40	-	-	-	-	-	-	-	C
133	MSEK Power Co., Ltd.	-	-	-	-	-	-	17.10	-	-	-	-	-	-	-	C
134	MHC Nishimatsu Property (Thailand) Co., Ltd.	-	-	-	-	-	-	6.20	-	-	-	-	-	-	-	C
135	Iwai Plant Tech (Thailand) Co., Ltd.	-	-	-	-	-	-	48.30	-	-	-	-	-	-	-	C
136	Morgan Stanley And Co. Head Office (London)	-	-	-	0.70	-	-	-	-	-	-	-	-	607.20	-	C
137	PT. Bank Danamon Indonesia, Tbk	173.40	-	-	-	-	-	-	1,114.00	-	-	1.70	-	-	-	C
138	Mitsubishi HC Capital (Thailand) Co., Ltd.	-	-	1,861.20	-	-	-	57.00	-	-	-	-	-	-	-	C
139	Hitachi Channel Solutions (Thailand) Co., Ltd.	-	-	0.20	-	-	-	-	-	-	-	0.10	-	8.20	-	C
140	SY Solutions Bangkok Co., Ltd.	-	-	-	-	-	-	6.10	-	-	-	-	-	-	-	C
141	A&D Instruments (Thailand) Limited	-	-	-	-	-	-	7.10	-	-	-	-	-	-	-	C
142	MHC Management (Thailand) Co., Ltd.	-	-	-	-	-	-	3.80	-	-	-	-	-	-	-	C
143	Lao Nishimatsu Construction Co., Ltd.	-	-	-	-	-	-	36.70	-	-	-	-	-	-	-	C
144	Smart Factory & Services Holdings (Thailand) Co., Ltd.	-	-	-	-	-	-	2.70	-	-	-	-	-	-	-	C
145	Hitachi Channel Solutions Holding (Thailand) Ltd.	-	-	-	-	-	-	10.40	-	-	-	-	-	-	-	C
146	NOE Asia Pacific Co., Ltd.	-	-	-	-	-	-	1.70	-	-	-	-	-	-	-	C
147	HR Pro Security and Services Co., Ltd.	-	-	-	-	-	-	8.70	-	-	-	-	-	-	-	B
148	IJJ Global Solutions (Thailand) Co., Ltd.	-	-	-	-	-	-	2.50	-	-	-	-	-	-	-	C
149	SS & JJ Co., Ltd.	-	-	-	-	-	-	2.60	-	-	-	-	-	-	-	C
150	BCI (Thailand) Co., Ltd	-	17.70	-	-	-	-	-	-	-	-	-	-	-	-	A
151	Hattha Kaksekar Financial Trust	-	-	-	-	-	-	-	-	239.50	-	-	-	-	-	A
152	Trust Committee of Hattha Kaksekar	-	-	-	-	-	-	-	-	25.00	-	-	-	-	-	A
153	Security Bank Corporation	38.30	-	-	-	-	-	-	3,674.30	-	-	50.90	-	-	-	C
154	Adastria Bangkok Co., Ltd.	-	-	-	-	-	-	2.80	-	-	-	-	-	-	-	C
155	Praram 9 Square Limited	-	-	-	-	-	-	4.80	-	-	-	-	-	-	-	B
156	Crane Gold Co., Ltd.	-	-	-	-	-	-	1.80	-	-	-	-	-	-	-	C
157	Tanabe Engineering Asia Co., Ltd.	-	-	-	-	-	-	3.60	-	-	-	-	-	-	-	C
158	ALD MHC Mobility Services (Thailand) Co., Ltd.	-	-	866.70	-	-	-	7.00	-	-	-	-	-	-	-	C
159	Nishimatsu Real Estate & Development (Thailand) Co., Ltd.	-	-	-	-	-	-	0.20	-	-	-	-	-	-	-	C
		414.20	61.20	14,553.10	265.40	95.20	18.50	27,872.20	7,353.10	58.60	264.50	6.10	339.30	11,760.50	270.60	

Relationship

A = Director and/or Executive officer of the Bank and/or subsidiaries is appointed as director of the entity and/or hold shares totally equal or greater than 20%.

B = Bangkok Broadcasting & T.V. Co., Ltd. and/or its related persons hold shares totally equal or greater than 20%.

C = MUFG group and/or its related persons hold shares totally equal or greater than 20%.

D = The Bank and/or its related persons hold shares totally equal or greater than 20%.

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FINANCIAL STATEMENTS



REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
BANK OF AYUDHYA PUBLIC COMPANY LIMITED****Opinion**

We have audited the consolidated financial statements of Bank of Ayudhya Public Company Limited and its subsidiaries (the “Bank and subsidiaries”) and the Bank’s financial statements of Bank of Ayudhya Public Company Limited (the “Bank”), which comprise the consolidated and Bank’s statements of financial position as at December 31, 2023, and the related consolidated and Bank’s statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and Bank’s financial statements present fairly, in all material respects, the financial position of Bank of Ayudhya Public Company Limited and its subsidiaries and of Bank of Ayudhya Public Company Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”) and Bank of Thailand’s regulations.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Bank’s Financial Statements section of our report. We are independent of the Bank and subsidiaries in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to our audit of the consolidated and Bank’s financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and Bank's financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and Bank's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
<p>Allowance for expected credit loss</p> <p>The allowance for expected credit loss ("ECL") on loans to customers and provisions for loan commitments and financial guarantee contracts are considered to be a matter of most significance as they require the application of judgment, estimation and the use of subjective assumptions by management of the Bank and subsidiaries.</p> <p>The Bank and subsidiaries have applied the Thai Financial Reporting Standard No. 9 - Financial Instruments ("TFRS 9") and related Bank of Thailand (the "BOT")'s regulations. This standard requires the Bank and subsidiaries to recognize impairment loss based on expected credit loss.</p> <p>The ECL is measured based forward-looking information basis by calculating on a probability-weighted credit losses with respective risk of expected cash shortfalls either based on credit events arising in the 12 months from the reporting date or based on credit events arising over the lifetime of the financial instrument; depending on the significant increase in credit risk ("SICR") since initial recognition.</p>	<p>Based on our risk assessment, we established an audit approach including controls and substantive testing as a basis for our opinion. Accordingly, we have performed the following procedures amongst others. Our procedures include:</p> <p>We have assessed the design and implementation as well as operating effectiveness of the controls related to the process and policy for ECL methodology including model monitoring and validation which have been performed by the Bank and its subsidiaries, and post model adjustment of the ECL and; we have assessed the control system in this process, including automated controls in the IT systems.</p> <p>We collectively and individually assessed loans to customers regarding the appropriateness of allowance for expected credit loss and the recognition at the reporting date as follows:</p> <ul style="list-style-type: none"> • For the collectively assessed loans to customers, we have performed, among the others, the following procedures: <ul style="list-style-type: none"> • With the involvement of our internal specialist, we have analyzed the applied methodology for estimating ECL, including the adequacy of risk parameters applied, model performance testing, post model adjustment and compliance with the requirements of TFRS 9 and the BOT's regulations. • Independent recalculation by our internal specialist on sample basis of the value of ECL for selected portfolios in the collective assessment method.

Key Audit Matters	Audit Responses
<p>Allowance for expected credit loss (continued)</p> <p>The post model adjustment may also be recorded by the Bank and subsidiaries using credit expert assumptions and judgment where the inputs, assumptions and/or modelling techniques do not capture all relevant risk factors in respect to the current economic conditions and market circumstances.</p> <p>Accounting policy and related the BOT's regulations for the allowance for expected credit loss, detail of allowance for expected credit loss were disclosed in Notes 4.7, 6.2, 7.9 and 7.40 to the financial statements, respectively.</p>	<ul style="list-style-type: none"> For the individually assessed loans to customers, we have performed, among the others, the following procedures: <ul style="list-style-type: none"> We have assessed the appropriateness of the process for identifying indicators of impairment. We assessed the appropriateness of estimation of allowances for a selected sample of exposures with identified evidence of impairment with respect to the appropriateness of the assumed collateral values and assumptions concerning other cash flows. Our audit procedures included reconciliation of the data used in the ECL calculation to confirm the accuracy and completeness of the recognition of loans to customers, loan commitments and financial guarantee contracts that are the basis for the calculation of impairment losses and provision, as well as the value of these ECL and provisions for loan commitments and financial guarantee contracts. In respect of post model adjustment, based on current economic conditions and market circumstances, our audit procedures included the evaluation of the design and implementation of internal control in this process. We assessed the completeness and appropriateness of the assumptions, input data and performed the calculation of the post model adjustment with support from our internal specialist. <p>For the IT systems and individual data processing systems used in the ECL calculation, we have assessed the relevant effectiveness of application controls and general IT controls with the involvement of our internal IT specialists.</p>

Key Audit Matters	Key Audit Procedures
<p>Business acquisitions</p> <p>During the year 2023, the Bank has acquired new subsidiaries both domestically and internationally, across various locations which their business relating to financial services such as securities, personal loans and credit cards which were recognized as business acquisition in the consolidated financial statements and classified such acquisitions as investments in subsidiaries in the Bank's financial statements. The Bank determined the values and significant assumptions to consider the purchase price allocation of net identifiable assets acquired and the liabilities assumed at the business acquisition date, either by the external independent appraiser or the Bank's appraiser.</p> <p>At the reporting date, the Bank is in the process of finalizing the purchase price allocation of 4 acquisitions and has completed the process of purchase price allocation of 2 acquisitions. The Bank has adjusted the provisional value recognized at the business acquisition date and recognized additional assets and liabilities and other related accounts to reflect new information obtained about facts and circumstances that existed as of the business acquisition date.</p> <p>The acquisition method of accounting for business combinations is complex and requires the Bank to determine the fair value of net identifiable assets acquired and the liabilities assumed, and purchase consideration transferred with any resulting differences recognized as goodwill or gain from a bargain purchase.</p> <p>We considered this to be key audit matter as the business combination is material and identification and determination of fair value of net identifiable assets acquired and the liabilities assumed and goodwill involved significant judgements and assumptions and have been recognized in accordance with TFRSs including related disclosures.</p> <p>Accounting policies for the consolidated financial statements and the Bank's financial statements and details of the business acquisitions were disclosed in Notes 4.22 and 7.7 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <p>Understood the business acquisitions processes and the purchase price allocation or the provisional amount of net identifiable assets acquired and the liabilities assumed processes and related internal control procedures.</p> <p>Evaluated the design and implementation including performing the operating effectiveness testing over the internal control procedures around the business acquisition process and the purchase price allocation or the provisional amount of net identifiable assets acquired and the liabilities assumed processes.</p> <p>Performed substantive testing as follows:</p> <ul style="list-style-type: none"> • Examined the business acquisitions agreements which the Bank had with the sellers, the payment documents, share transferred documents and related supporting documents. • Examined details of assets and liabilities at the acquisition date which consists of the examination of existence, rights and obligations, completeness, accuracy and valuation and allocation of assets and liabilities. • Evaluated the independence and competency of the external independent appraiser and the Bank's appraiser. • Considered the presentation and related disclosures to the financial statements. • For the acquisitions that has completed the process of purchase price allocation, auditor examined the completeness and accuracy of the key underlying data used in allocating the fair value of assets and liabilities at the acquisition date with information from other independent sources and involved auditor valuation specialist to evaluate the reasonableness of the valuation method and key assumptions that the Bank's management and the Bank's appraiser used in allocating the fair value. • Assessed the rationale of goodwill recognized from the business combination.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the consolidated and Bank's financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and Bank's financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and Bank's financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Bank's Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and Bank's financial statements in accordance with TFRSs and Bank of Thailand's regulations, and for such internal control as management determines is necessary to enable the preparation of the consolidated and Bank's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and Bank's financial statements, management is responsible for assessing the Bank and subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank and subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank and subsidiaries' financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Bank's Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and Bank's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and Bank's financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and Bank's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and subsidiaries' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the Bank's financial statements, including the disclosures, and whether the consolidated and Bank's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and Bank's financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Chavala Tienpasertkij
Certified Public Accountant (Thailand)
Registration No. 4301

BANGKOK
February 28, 2024

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

STATEMENTS OF FINANCIAL POSITION

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2023

Unit : Thousand Baht

	CONSOLIDATED		THE BANK'S		
	Notes	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
ASSETS					
CASH		28,169,604	29,809,734	25,127,673	27,557,900
INTERBANK AND MONEY MARKET ITEMS, NET	7.3	507,974,332	460,919,592	489,172,830	451,780,007
FINANCIAL ASSETS MEASURED AT FAIR VALUE					
THROUGH PROFIT OR LOSS	7.4	1,740,461	998,296	622,531	-
DERIVATIVES ASSETS	7.5	29,055,607	30,027,490	29,257,667	31,211,473
INVESTMENTS, NET	7.6	130,538,799	145,166,925	125,353,247	142,054,873
INVESTMENTS IN SUBSIDIARIES, ASSOCIATE					
AND JOINT VENTURES, NET	7.7	17,920,515	16,580,435	90,571,525	63,694,747
LOANS TO CUSTOMERS AND ACCRUED					
INTEREST RECEIVABLES, NET	7.8	1,942,699,757	1,873,490,845	1,701,804,771	1,680,007,809
PROPERTIES FOR SALE, NET	7.10	5,555,112	5,212,261	5,226,076	4,825,272
PREMISES AND EQUIPMENT, NET	7.11	36,327,764	31,004,015	31,764,854	28,126,237
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	7.12	31,540,062	16,672,311	3,765,833	3,677,349
DEFERRED TAX ASSETS	7.13	6,086,001	4,248,698	284,909	428,675
OTHER ASSETS, NET	7.14	30,686,880	22,820,220	21,919,045	17,547,129
TOTAL ASSETS		2,768,294,894	2,636,950,822	2,524,870,961	2,450,911,471

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2023

Unit : Thousand Baht

	Notes	CONSOLIDATED		THE BANK'S	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
LIABILITIES AND EQUITY					
DEPOSITS	7.15	1,839,601,001	1,804,692,244	1,815,718,538	1,782,186,063
INTERBANK AND MONEY MARKET ITEMS	7.16	323,995,537	289,976,590	271,279,782	272,705,448
LIABILITY PAYABLE ON DEMAND		4,387,336	4,226,086	4,382,140	4,223,431
DERIVATIVES LIABILITIES	7.5	32,838,856	37,340,384	33,097,354	38,722,867
DEBT ISSUED AND BORROWINGS	7.17	104,217,056	98,198,641	78,233,476	67,367,179
PROVISIONS	7.18	12,212,832	10,605,835	9,662,295	8,571,009
DEFERRED TAX LIABILITIES	7.13	1,304,064	1,049,581	-	-
OTHER LIABILITIES	7.19	78,284,538	49,102,437	46,664,543	31,359,593
TOTAL LIABILITIES		2,396,841,220	2,295,191,798	2,259,038,128	2,205,135,590
EQUITY					
SHARE CAPITAL	7.23				
Authorized share capital					
7,574,143,747 ordinary shares of					
Baht 10 each		75,741,437	75,741,437	75,741,437	75,741,437
Issued and paid-up share capital					
7,355,761,773 ordinary shares of					
Baht 10 each		73,557,618	73,557,618	73,557,618	73,557,618
PREMIUM ON ORDINARY SHARES		52,878,749	52,878,749	52,878,749	52,878,749
OTHER RESERVES		3,678,725	2,586,999	5,697,899	3,678,146
RETAINED EARNINGS					
Appropriated					
Legal reserve		7,574,144	7,574,144	7,574,144	7,574,144
Unappropriated		230,764,350	204,321,373	126,124,423	108,087,224
TOTAL BANK'S EQUITY		368,453,586	340,918,883	265,832,833	245,775,881
NON-CONTROLLING INTEREST		3,000,088	840,141	-	-
TOTAL EQUITY		371,453,674	341,759,024	265,832,833	245,775,881
TOTAL LIABILITIES AND EQUITY		2,768,294,894	2,636,950,822	2,524,870,961	2,450,911,471

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements


(Mr. Kenichi Yamato)
President and Chief Executive Officer

(Miss Duangdao Wongpanitkrit)
Director

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Unit : Thousand Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2023	2022	2023	2022
INTEREST INCOME	7.31	139,250,871	105,428,252	95,053,445	72,309,148
INTEREST EXPENSES	7.32	39,860,975	21,650,327	33,414,836	17,472,542
INTEREST INCOME, NET		99,389,896	83,777,925	61,638,609	54,836,606
FEES AND SERVICE INCOME		29,211,948	24,237,147	13,444,605	12,412,266
FEES AND SERVICE EXPENSES		8,381,015	7,292,419	6,198,441	5,518,992
FEES AND SERVICE INCOME, NET	7.33	20,830,933	16,944,728	7,246,164	6,893,274
GAINS ON FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS, NET	7.34	5,637,050	4,732,652	5,793,347	5,031,232
LOSSES ON INVESTMENTS, NET	7.35	-	(40,035)	(1,317,000)	(122,035)
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		1,583,026	1,556,501	-	-
DIVIDEND INCOME		425,134	449,744	3,696,230	3,118,174
BAD DEBTS RECOVERIES		7,527,380	6,728,858	3,128,947	2,953,766
OTHER OPERATING INCOME		3,554,942	2,265,711	3,198,104	1,933,750
TOTAL OPERATING INCOME		138,948,361	116,416,084	83,384,401	74,644,767
OTHER OPERATING EXPENSES					
Employee's expenses		32,151,970	27,142,994	20,195,430	18,894,899
Directors' remuneration		74,988	69,617	65,595	63,503
Premises and equipment expenses		8,251,038	7,397,827	6,122,991	6,029,594
Taxes and duties		3,623,883	2,507,258	2,183,862	1,562,897
Others		17,733,436	13,917,801	9,070,607	7,894,734
Total other operating expenses		61,835,315	51,035,497	37,638,485	34,445,627
EXPECTED CREDIT LOSS	7.36	35,616,581	26,652,373	15,568,584	17,086,724
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		41,496,465	38,728,214	30,177,332	23,112,416
INCOME TAX EXPENSES	7.37	8,364,113	7,838,517	5,584,581	4,027,651
NET PROFIT		33,132,352	30,889,697	24,592,751	19,084,765

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Unit : Thousand Baht

		CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	Notes	2023	2022	2023	2022
OTHER COMPREHENSIVE INCOME					
Items that will be reclassified subsequently to profit or loss:					
Gain (loss) on investments in debt instruments at fair value					
through other comprehensive income		90,790	(1,402,025)	(68,502)	(1,402,025)
Gain (loss) on hedges		347,857	91,671	467,328	(96,949)
Gain (loss) arising from translating the financial statements					
of foreign operation		(847,376)	208,133	-	-
Share of other comprehensive income of associate and joint venture		(12,307)	(60,996)	-	-
Income tax relating to components of					
other comprehensive income	7.38	(65,497)	168,577	(79,765)	299,795
Items that will not be reclassified subsequently to profit or loss:					
Gain (loss) on investments designated at fair value					
through other comprehensive income		(946,920)	(1,092,284)	(807,298)	(652,802)
Change in assets revaluation surplus		2,756,415	-	2,756,415	-
Actuarial gain (loss) on defined benefit plans		(114,074)	1,006,446	(202,194)	809,636
Share of other comprehensive income of associate and joint ventures		(11,923)	7,151	-	-
Income tax relating to components of					
other comprehensive income	7.38	(334,783)	17,168	(349,385)	(31,367)
Total other comprehensive income, net		862,182	(1,056,159)	1,716,599	(1,073,712)
TOTAL COMPREHENSIVE INCOME		33,994,534	29,833,538	26,309,350	18,011,053
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		32,929,523	30,712,985	24,592,751	19,084,765
Non-controlling interest		202,829	176,712	-	-
		33,132,352	30,889,697	24,592,751	19,084,765
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		33,788,179	29,655,325	26,309,350	18,011,053
Non-controlling interest		206,355	178,213	-	-
		33,994,534	29,833,538	26,309,350	18,011,053
EARNINGS PER SHARE OF OWNERS OF THE BANK					
BASIC EARNINGS PER SHARE	BAHT	4.48	4.18	3.34	2.59
WEIGHTED AVERAGE NUMBER OF					
ORDINARY SHARES	SHARES	7,355,761,773	7,355,761,773	7,355,761,773	7,355,761,773

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements



(Mr. Kenichi Yamato)

President and Chief Executive Officer



(Miss Duangdao Wongpanitkrit)

Director

STATEMENTS OF CHANGES IN EQUITY

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2023

CONSOLIDATED FINANCIAL STATEMENTS													Unit : Thousand Baht	
Notes	Issued and Paid-up Share Capital	Premium on Share Capital	Owners of the Bank										Non-Controlling Interest	Total
			Other reserves			Retained Earnings				Total Bank's Equity				
			Asset Appraisal Surplus	Fair Value Reserve	Foreign Currency Translation	Hedging Reserve	Share of Other Comprehensive Income	Deficit from Business Combination under Common Control	Deficit from Change in Ownership Interest in Subsidiaries		Appropriated Legal Reserve	Unappropriated Reserve		
7.23.2 Transfer of investment revaluation reserve upon disposal of equity investments designated as at FVOCI Total comprehensive income Change in shareholding in associate Balance as of December 31, 2022	73,557,618	52,878,749	10,053,866 (223,090)	643,628	(155,578)	(72,536)	(336)	(5,217,755)	(951,728)	7,574,144	179,205,803	317,515,875	720,777	318,236,652
	-	-	-	-	-	-	-	-	-	-	223,090	-	-	-
	-	-	-	-	-	-	-	-	-	-	(6,252,398)	(6,252,398)	(58,848)	(6,311,246)
	-	-	-	-	-	-	-	-	-	-	(379,029)	-	-	-
	-	-	-	(1,995,481)	210,365	(22,389)	(60,996)	-	-	-	31,523,826	29,655,325	178,213	29,833,538
	-	-	-	-	-	-	-	-	-	-	81	81	(1)	80
	73,557,618	52,878,749	9,830,776	(972,824)	54,787	(94,925)	(61,332)	(5,217,755)	(951,728)	7,574,144	204,321,373	340,918,883	840,141	341,759,024
7.23.2 Transfer of investment revaluation reserve upon disposal of equity investments designated as at FVOCI Total comprehensive income Acquisition of subsidiary Change in shareholding in subsidiary Balance as of December 31, 2023	73,557,618	52,878,749	9,830,776 (261,273)	(972,824)	54,787	(94,925)	(61,332)	(5,217,755)	(951,728)	7,574,144	204,321,373	340,918,883	840,141	341,759,024
	-	-	-	-	-	-	-	-	-	-	261,273	-	-	-
	-	-	-	-	-	-	-	-	-	-	(6,252,398)	(6,252,398)	(56,746)	(6,309,144)
	-	-	-	401,130	-	-	-	-	-	-	(401,130)	-	-	-
	-	-	2,205,132	(721,091)	(834,027)	312,237	(9,248)	-	-	-	32,835,176	33,788,179	206,355	33,994,534
	-	-	-	-	-	-	-	-	-	-	-	-	-	2,023,770
	73,557,618	52,878,749	11,774,635	(1,292,785)	(779,240)	217,312	(70,580)	(5,217,755)	(952,862)	7,574,144	230,764,350	368,453,586	3,000,088	371,453,674

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Unit : Thousand Baht

THE BANK'S FINANCIAL STATEMENTS										
Notes	Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves				Retained Earnings			Total
			Asset Appraisal Surplus	Fair Value Reserve	Hedging Reserve	Deficit from Business Combination under Common Control	Appropriated Legal Reserve	Unappropriated		
	73,557,618	52,878,749	10,053,866 (223,090)	373,820	(88,248)	(5,217,755)	7,574,144	94,885,032	234,017,226	
	-	-		-	-	-	-	223,090	-	
7.23.2	-	-	-	-	-	-	-	(6,252,398)	(6,252,398)	
	-	-	-	500,973	-	-	-	(500,973)	-	
	-	-	-	(1,643,861)	(77,559)	-	-	19,732,473	18,011,053	
	73,557,618	52,878,749	9,830,776	(769,068)	(165,807)	(5,217,755)	7,574,144	108,087,224	245,775,881	
	73,557,618	52,878,749	9,830,776	(769,068)	(165,807)	(5,217,755)	7,574,144	108,087,224	245,775,881	
	-	-	(261,273)	-	-	-	-	261,273	-	
7.23.2	-	-	-	-	-	-	-	(6,252,398)	(6,252,398)	
	-	-	-	402,672	-	-	-	(402,672)	-	
	-	-	2,205,132	(700,640)	373,862	-	-	24,430,996	26,309,350	
	73,557,618	52,878,749	11,774,635	(1,067,036)	208,055	(5,217,755)	7,574,144	126,124,423	265,832,833	

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements



(Mr. Kenichi Yamato)

President and Chief Executive Officer



(Miss Duangdao Wongpanitkrit)

Director

STATEMENTS OF CASH FLOWS

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Unit : Thousand Baht

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income from operating before income tax expenses	41,496,465	38,728,214	30,177,332	23,112,416
Adjustments to reconcile income to cash received (paid)				
from operating activities:				
Depreciation and amortization	4,915,792	4,568,757	3,622,987	3,728,170
Expected credit loss	35,616,581	26,652,373	15,568,584	17,086,724
Gain on translation in foreign currencies	(2,967,602)	(2,696,300)	(2,967,602)	(2,696,300)
Unrealized (gain) loss from revaluation of derivatives	(1,719,943)	12,178,431	(1,841,802)	12,211,549
Share of profit from investment using equity method	(1,583,026)	(1,556,501)	-	-
Loss on investments	-	40,035	1,317,000	122,035
Amortization of premium on investments in debt securities	353,535	476,415	392,158	476,415
Gain on sales of properties for sale	(1,931,056)	(999,619)	(1,882,320)	(888,947)
Loss on sales of premises and equipment	314,908	322,445	181,921	116,437
Loss on impairment of properties for sale	758,585	277,051	636,452	219,104
Reversal loss on impairment of premises and equipment	(44,925)	-	(44,925)	-
Loss on impairment of goodwill	583,796	-	-	-
Reversal loss on impairment of others assets	(26,882)	(4,613)	(28,943)	(45,697)
Increase (decrease) in other reserves	1,191,624	(661,864)	938,879	158,862
Interest income, net	(99,389,896)	(83,777,925)	(61,638,609)	(54,836,606)
Interest received	136,395,082	104,285,219	94,913,772	71,272,537
Interest paid	(34,428,014)	(20,010,682)	(28,863,834)	(16,381,382)
Gain from a bargain purchase	(183,430)	-	-	-
Dividend income	(425,134)	(449,744)	(3,696,230)	(3,118,174)
Dividends received	425,098	449,727	406,876	443,694
Increase in other accrued expenses	2,098,110	933,559	584,783	1,867,655
Income tax paid	(8,668,027)	(6,798,700)	(5,384,410)	(2,973,301)
Income from operations before changes in				
operating assets and liabilities	72,781,641	71,956,278	42,392,069	49,875,191
(Increase) decrease in operating assets				
Interbank and money market items	(35,164,593)	(115,099,038)	(40,802,806)	(117,024,584)
Financial assets measured at fair value through profit or loss	(366,108)	(262,395)	(614,524)	96,051
Loans to customers	(72,850,562)	(99,493,171)	(55,802,310)	(70,084,553)
Properties for sale	21,115,776	16,897,563	19,479,326	15,187,089
Other assets	(3,547,818)	5,424,902	(4,240,845)	5,219,897

STATEMENTS OF CASH FLOWS (CONTINUED)

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Increase (decrease) in operating liabilities				
Deposits	36,251,715	29,784,946	36,081,271	26,086,018
Interbank and money market items	2,718,450	85,267,555	1,263,408	83,993,229
Liability payable on demand	181,723	240,651	179,182	238,460
Other liabilities	7,566,369	4,827,388	8,410,036	3,031,203
Net cash from operating activities	28,686,593	(455,321)	6,344,807	(3,381,999)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of investments in securities	61,169,022	65,863,060	46,874,315	65,504,881
Cash paid for purchases of investments in securities	(42,757,004)	(31,412,933)	(31,354,860)	(30,443,557)
Cash paid for investment in subsidiaries and joint venture	(26,990,341)	(810,941)	(28,193,778)	(810,941)
Dividend received from subsidiaries and associate	-	-	3,289,318	2,674,462
Proceeds from sales of premises and equipment	394,316	238,268	176,971	94,429
Cash paid for purchases of premises and equipment	(3,064,739)	(2,617,835)	(1,927,965)	(2,161,008)
Cash paid for purchases of intangible assets	(1,655,171)	(1,312,901)	(1,201,586)	(1,138,802)
Net cash from investing activities	(12,903,917)	29,946,718	(12,337,585)	33,719,464
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from debts issued and borrowings	24,955,206	45,501,864	15,000,000	32,000,000
Repayment of debts issued and borrowings	(22,422,921)	(65,524,871)	(4,109,966)	(54,894,989)
Payment for lease liabilities	(1,654,227)	(1,640,870)	(1,087,513)	(1,213,611)
Dividend payment	(6,309,144)	(6,311,246)	(6,252,398)	(6,252,398)
Net cash from financing activities	(5,431,086)	(27,975,123)	3,550,123	(30,360,998)
Total	10,351,590	1,516,274	(2,442,655)	(23,533)
Effect arising from translating the financial statements of foreign operations	(857,229)	10,845	-	-
Effect of exchange rate change on cash	12,428	4,185	12,428	4,185
Net increase (decrease) in cash and cash equivalents	9,506,789	1,531,304	(2,430,227)	(19,348)
Cash and cash equivalents as at January 1,	40,249,207	38,717,903	27,557,900	27,577,248
Cash and cash equivalents as at December 31,	49,755,996	40,249,207	25,127,673	27,557,900

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements



(Mr. Kenichi Yamato)

President and Chief Executive Officer



(Miss Duangdao Wongpanitkrit)

Director

NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2023

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NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2023

1. GENERAL INFORMATION

Bank of Ayudhya Public Company Limited (“the Bank”) is a public company registered in the Kingdom of Thailand with its head office located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The Bank’s main business is commercial banking and the Bank conducts its business through a network of branches throughout Thailand and other countries. The immediate and ultimate parent company of the Bank are MUFG Bank, Ltd. and Mitsubishi UFJ Financial Group, Inc., respectively, both companies are registered in Japan. As at December 31, 2023 and 2022, the Bank has a total of 29 subsidiaries, associate and joint ventures and 23 subsidiaries, associate and joint ventures, respectively, as follows:

- 1.1 Ayudhya Development Leasing Company Limited was incorporated in Thailand on July 25, 1991, and is located at 550, Krungsri Ploenchit Tower, 14th Floor, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary’s main business includes leasing and hire-purchase.
- 1.2 Ayudhya Capital Auto Lease Public Company Limited was incorporated in Thailand on November 27, 1995, and is located at 550, Krungsri Ploenchit Tower, 16th Floor, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary’s main business is auto hire-purchase, leasing service and refinancing to individual and corporate customers.
- 1.3 Ayudhya Capital Services Company Limited was incorporated in Thailand on November 9, 1994, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary’s main business is credit cards and personal loans.
- 1.4 General Card Services Limited was incorporated in Thailand on January 24, 1995, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary’s main business is credit cards and personal loans.
- 1.5 Krungsriayudhya Card Company Limited was incorporated in Thailand on August 29, 1996, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary’s main business is credit cards and personal loans.
- 1.6 Siam Realty and Services Security Company Limited was incorporated in Thailand on June 20, 1988, and is located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary’s main business is car rental services and personnel services.
- 1.7 Total Services Solutions Public Company Limited was incorporated as a public company limited in Thailand on May 19, 1997, and is located at 2/3 Moo 14, Bangna Towers B, Bang Na-Trat Km 6.5 Road, Bang Kaeo Subdistrict, Bang Phli District, Samutprakan. The subsidiary’s main business is collection services.

- 1.8 Krungsri Asset Management Company Limited was incorporated in Thailand on December 19, 1996, and is located at 898, Ploenchit Tower Building, 1st-2nd Floor zone A, 12th and 18th Floor zone B, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is mutual funds and private fund management.
- 1.9 Krungsri Ayudhya AMC Limited was incorporated in Thailand on August 18, 2000, and is located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is to develop, manage and sell non-performing assets and other assets transferred from financial institutions.
- 1.10 Krungsri Securities Public Company Limited was incorporated in Thailand on April 16, 2004, and is located at 898, Ploenchit Tower, 3rd Floor, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is a securities business.
- 1.11 Krungsri Nimble Company Limited was incorporated in Thailand on February 1, 2007, and is located at 1222, Bank of Ayudhya Public Company Limited, 21st Floor, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is factoring and information technology services.
- 1.12 Krungsri Genesis Company Limited (formerly Krungsri Life Assurance Broker Limited) which is 99.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is a life insurance broker.

On January 1, 2023, Krungsri Genesis Company Limited (KGS) completed the transfer of its life insurance broker business to Krungsri General Insurance Broker Limited (KGIB) at net book value amounting to approximately Baht 0.2 million, having total assets and total liabilities related to its life insurance broker business of Baht 1.3 million and Baht 1.1 million, respectively. The transaction was approved by the Extraordinary General Meeting of Shareholders of KGS and KGIB No. 1/2022 held on December 13, 2022.

In addition, Ministry of Commerce approved KGS to operate business for personal loans in May 2023.

- 1.13 Krungsri General Insurance Broker Limited which is 99.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is life assurance broker and general insurance broker.
- 1.14 Krungsri Finnovate Company Limited was incorporated in Thailand on March 27, 2017, and is located at 1222, 21st Floor, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is venture capital.

- 1.15 Krungsri Leasing Services Company Limited, which is owned by Ayudhya Capital Auto Lease Public Company Limited of 75% and Ayudhya Capital Services Company Limited of 25%, the Bank's subsidiaries, was incorporated in Laos People's Democratic Republic (Lao PDR) on February 18, 2014, and is located at 196, Unit 12, Kamphengmeung Road, Phonthan Village, Saysettha District, Vientiane Capital, Lao PDR. The subsidiary's main business is hire-purchase, leasing and sales finance.
- 1.16 Krungsri Non-Deposit Taking Microfinance Institution Co.,Ltd., which is owned by Krungsri Leasing Services Company Limited of 99.99%, the Bank's subsidiary, was incorporated in Laos People's Democratic Republic (Lao PDR) on February 7, 2020, and is located at 197, Unit 12, Kamphengmeung Road, Phonthan Village, Saysettha District, Vientiane Capital, Lao PDR. The subsidiary's main business is non-deposit taking microfinance.
- 1.17 Hattha Bank Plc. was incorporated in Cambodia in November 1996, and is located at 606, Street 271, Sansam Kosal 3 Village, Sangkat Boeng Tumpun 1, Khan Mean Chey, Phnom Penh, the Kingdom of Cambodia. The subsidiary's main business is banking business.
- 1.18 Hattha Services Company Limited which is 49% owned by Hattha Bank Plc., the Bank's subsidiary. However, the Bank has power to participate in management and control over Hattha Services Company Limited. Accordingly, the voting power held by the Bank is 100%. The company was incorporated in Cambodia on October 8, 2019, and is located at 606, Street 271, Sansam Kosal 3 Village, Sangkat Boeng Tumpun 1, Khan Mean Chey, Phnom Penh, the Kingdom of Cambodia. The subsidiary's main business is lease real estate.
- 1.19 Ngern Tid Lor Public Company Limited ("TIDLOR") was incorporated in Thailand on October 24, 2006, and is located at 428 Ari Hills Building 9th-15th Floor, Phahonyothin Road, Samsen Nai Subdistrict, Phaya Thai District, Bangkok. The associate's main business is to provide loans and hire-purchase for all types of vehicles, non-life insurance broker and life insurance broker directly.
- 1.20 Lotus's Money Services Limited, which is 49.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The joint venture's main business is credit cards and personal loans.
- 1.21 Lotus's Life Assurance Broker Limited, which is 99.99% owned by Lotus's Money Services Limited, the Bank's joint venture, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The joint venture's main business is a life insurance broker.
- 1.22 Lotus's General Insurance Broker Limited, which is 99.99% owned by Lotus's Money Services Limited, the Bank's joint venture, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The joint venture's main business is a general insurance broker.

- 1.23 SB Finance, Inc. was incorporated in Philippines in 1960, and is located at Keyland Arnaiz Building, 849 Antonio Arnaiz Avenue, Legazpi Village, Makati City, Philippines. The joint venture's main business is personal loans.
- 1.24 Krungsri Capital Securities Public Company Limited was incorporated in Thailand on May 26, 1970, and is located at 25 Bangkok Insurance Building, 15th-17th Floor, South Sathorn Road, Thung Maha Mek, Sathorn, Bangkok. The subsidiary's main business is a securities business.
- 1.25 SHBank Finance Company Limited which is 50% of charter capital owned by the Bank. However, the Bank has power to participate in management and control over the company, therefore it was classified as subsidiary of the Bank. The company was incorporated in Vietnam on 28 March 2017, and is located at Gelex Building, 6th floor, 52 Le Dai Hanh Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi City, Vietnam. The subsidiary's main business is personal loans.
- 1.26 HC Consumer Finance Philippines, Inc. was incorporated in Philippines on 25 January 2013, and is located at 14th, 15th and 20th Floor, Ore Central, 31st Street corner, 9th Avenue, Bonifacio Global City, Taguig City, Philippines. The subsidiary's main business is personal loans and credit cards.
- 1.27 HCPH Financing 1, Inc. was incorporated in Philippines on 22 August 2017, and is located at 35F Penthouse Unit 4, Eco Tower, 32nd Street corner, 9th Avenue, Bonifacio Global City, Taguig City, Philippines. The subsidiary's main business is asset management.
- 1.28 HCPH Insurance Brokerage, Inc. was incorporated in Philippines on 12 July 2018, and is located at 35F Penthouse Unit 4, Eco Tower, 32nd Street corner, 9th Avenue, Bonifacio Global City, Taguig City, Philippines. The subsidiary's main business is general insurance broker.
- 1.29 PT Home Credit Indonesia was incorporated in Indonesia on 30 January 2012, and is located at Plaza Oleos 8th Floor, Jl. TB Simatupang No. 53A, Kel. Kebagusan, Kec. Pasar Minggu, Kota Administrasi Jakarta Selatan, Jakarta, Indonesia. The subsidiary's main business is personal loans.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

- 2.1 The consolidated and the Bank's financial statements have been prepared in accordance with Thai Financial Reporting Standards issued by Federation of Accounting Professions, the regulation of the Thai Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET") and the Bank of Thailand ("BOT")'s requirement, where the form of financial statements is based on Thai Accounting Standard No. 1 "Presentation of Financial Statements", including the Procedures, Policies and Presentation in accordance with BOT Notification Sor.Nor.Sor. 21/2561 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies that is the Parent Company of a Financial Group dated October 31, 2018.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The financial statements are presented in Thai Baht, which is the Bank's functional currency. All financial information presented in Thai Baht has been rounded in the financial statements to the nearest thousand and in the notes to financial statements to the nearest million unless otherwise stated.

The Bank prepares its financial statements in the Thai language in conformity with Thai Financial Reporting Standards ("TFRSs") and the Notifications noted above. However, for convenience of readers, the Bank also prepares its financial statements in English language, by translating from the Thai version.

The Bank and its subsidiaries have adopted Accounting Treatment Guidance No.37/2564 on "Guidelines regarding the provision of financial assistance to the debtors who are impacted by the COVID-19", which the objective is to grant the temporary relief measures for entities helping their debtors who are impacted by the COVID-19 with the supporting period during January 1, 2022 to December 31, 2023 or until there are any changes announced from the Bank of Thailand. The entities who elect to apply these temporary relief measures should disclose such fact including the guidelines of credit risk management and its impact on the measurement of expected credit losses in the financial statements.

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

Thai Financial Reporting Standard which will be effective for the financial statements for the period beginning on or after January 1, 2024, onwards

The revised TFRSs are mostly the revision of wording and terminology and clarification of accounting requirements. TFRSs which have been amended and are relevant to the Bank and its subsidiaries are as follows:

Thai Accounting Standard No. 8 "Accounting Policy, Changes in Accounting Estimates and Errors"

The amendments change the definition of accounting estimates to be "monetary amounts in financial statements that are subject to measurement uncertainty", to help an entity to be able to segregate the difference of "change in accounting estimates" from "change in accounting policies".

Thai Accounting Standard No.1 “Presentation of Financial Statements”

The amendments change the requirements regarding the disclosure of accounting policies from “significant accounting policies” to “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Thai Accounting Standard No. 12 “Income Taxes”

The amendments add the requirements for the initial recognition of deferred tax, which give rise to equal taxable and deductible temporary differences such as right-of-use assets and lease liabilities and decommissioning obligation. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. At the beginning of the earliest comparative period, an entity recognize a deferred tax asset, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, and a deferred tax liability for all deductible and taxable temporary differences associated with such transactions. The cumulative effect of initially applying the amendments shall be an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate).

In addition, such amendments also add the exemption for the International Tax Reform - Pillar Two Model. An entity should not recognize and not disclose the deferred tax assets and deferred tax liability which are relevant to Pillar Two income tax.

The management of the Bank and its subsidiaries will adopt such TASs and TFRSs in the preparation of the Bank and its subsidiaries financial statements when it becomes effective. The management of the Bank and its subsidiaries has assessed the impact of these TASs and TFRSs and considered that the adoption of these financial reporting standards does not have any significant impact on the financial statements of the Bank and its subsidiaries in the period of initial application.

2.2 The consolidated financial statements included the accounts of the head office and all branches of the Bank and its subsidiaries. These subsidiaries are as follows:

Subsidiaries	Business Type	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Bank (%)	
			As at	
			December 31, 2023	2022
Ayudhya Development Leasing Company Limited	Hire-purchase and leasing	Thailand	99.99	99.99
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Thailand	100.00	100.00
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
General Card Services Limited	Credit cards and personal loans	Thailand	100.00	100.00
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Thailand	100.00	100.00
Total Services Solutions Public Company Limited	Collection services	Thailand	100.00	100.00
Krungsri Asset Management Company Limited	Fund management	Thailand	86.86	86.86
Krungsri Ayudhya AMC Limited	Asset management	Thailand	100.00	100.00
Krungsri Securities Public Company Limited	Securities	Thailand	99.84	99.84
Krungsri Capital Securities Public Company Limited	Securities	Thailand	99.35	-
Krungsri Nimble Company Limited	Factoring and information technology services	Thailand	100.00	100.00
Krungsri Genesis Company Limited ⁽¹⁾ (formerly Krungsri Life Assurance Broker Limited)	Personal loans (formerly Life assurance broker)	Thailand	100.00	100.00
Krungsri General Insurance Broker Limited ⁽¹⁾	Life assurance broker and general insurance broker	Thailand	100.00	100.00
Krungsri Finnovate Company Limited	Venture capital	Thailand	100.00	100.00
Krungsri Leasing Services Company Limited ⁽²⁾	Hire-purchase, leasing and sales finance	Lao PDR	100.00	100.00
Krungsri Non-Deposit Taking Microfinance Institution Company Limited ⁽³⁾	Micro finance	Lao PDR	99.99	99.99
Hattha Bank Plc.	Commercial bank	Cambodia	100.00	100.00
Hattha Services Company Limited ⁽⁴⁾	Lease real estate	Cambodia	100.00	100.00
SHBank Finance Company Limited ⁽⁵⁾	Personal loans	Vietnam	50.00	-
HC Consumer Finance Philippines, Inc.	Personal loans and credit cards	Philippines	75.00	-
HCPH Financing 1, Inc.	Asset management	Philippines	100.00	-
HCPH Insurance Brokerage, Inc.	General insurance broker	Philippines	100.00	-
PT Home Credit Indonesia ⁽⁶⁾	Personal loans	Indonesia	75.00	-

⁽¹⁾ Indirectly holding via Ayudhya Capital Services Company Limited of 100%.

⁽²⁾ Indirectly holding via Ayudhya Capital Auto Lease Public Company Limited of 75% and Ayudhya Capital Services Company Limited of 25%.

⁽³⁾ Indirectly holding via Krungsri Leasing Services Company Limited of 99.99%.

⁽⁴⁾ The Bank indirectly holds ordinary shares of Hattha Services Company Limited via Hattha Bank Plc. of 49%. However, the Bank has the power to participate in management and control over Hattha Services Company Limited. Accordingly, the voting power held by the Bank is 100%.

⁽⁵⁾ The Bank holds charter capital of SHBank Finance Company Limited of 50%. However, the Bank has power to participate in management and control over the company, therefore it was classified as subsidiary of the Bank.

⁽⁶⁾ The Bank has a proportional ownership and voting right of 75% of the total issued and paid up share capital of PT Home Credit Indonesia and has ownership interest of 88.38%.

All material intercompany transactions and balances have been eliminated.

3. ADOPTION OF REVISED THAI FINANCIAL REPORTING STANDARDS

Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, the Bank and its subsidiaries have adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and clarification of accounting requirements as follows:

Thai Accounting Standard No.37 “Provisions, Contingent Liabilities and Contingent Assets”

The amendments specify that the “cost of fulfilling a contract” comprises the “costs that relate directly to the contract”. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate).

Thai Financial Reporting Standard No.3 “Business Combinations”

The amendments update TFRS 3 so that it refers to the Conceptual Framework which is currently effective. In addition, they also add to TFRS 3 a requirement that, for obligations within the scope of TAS 37, an acquirer applies TAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of TFRIC 21 “Levies”, the acquirer applies TFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

Thai Financial Reporting Standard No.9 “Financial Instruments”

The amendment clarifies that in applying the “10 per cent” test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The adoption of these financial reporting standards does not have any significant impact on the Bank and its subsidiaries’ financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

In the Bank's statement of cash flows, cash and cash equivalents consist of cash on hand and cash on collection of the Bank, in accordance with the BOT's Notification Sor.Nor.Sor. 21/2561 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated October 31, 2018.

In the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents of the Bank and cash on hand, deposits at banks, except for fixed deposits whose terms are greater than 3 months and deposits at banks used as collaterals, and investments of subsidiaries with maturities of 3 months or less.

4.2 Financial Assets

Classification and measurement

All financial assets are recognized under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction fees and costs, except for those financial assets classified as at fair value through profit or loss (FVTPL). Transaction fees and costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognized immediately in profit or loss. The financial assets are required to be subsequently measured at amortized cost or fair value on the basis of the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For the purpose of solely payments of principal and interest ("SPPI") test, principal is the fair value of the financial assets at initial recognition. That principal amount may change over the life of the financial assets (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial assets is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Bank and its subsidiaries determine the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The classification and measurement requirements for financial assets which include debt and equity instruments are described below:

1. Debt instruments

1.1 Debt instruments at amortized cost

Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are SPPI, are subsequently measured at amortized cost.

Such debt instruments include debt securities and loans to customers are presented as “Investments, net”, and “Loans to customers and accrued interest receivables, net” in the statement of financial position, respectively.

Subsequent to initial recognition, these debt instruments are measured at amortized cost using the effective interest method. Gains and/or losses are recognized in profit or loss upon derecognition, reclassification or impairment, and through the amortization process.

Interest income calculated using the effective interest method is recognized in profit or loss. A modification gain or loss is recognized in profit or loss when the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset.

1.2 Debt instruments at fair value through other comprehensive income (FVOCI)

Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at FVOCI.

Such debt instruments include debt securities and loans to customers are presented as “Investments, net”, and “Loans to customers and accrued interest receivables, net” in the statement of financial position, respectively.

Subsequent to initial recognition, debt instruments at FVOCI are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognized in other comprehensive income, except that impairment losses, interest income and foreign exchange gains or losses are recognized in profit or loss. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognized. Interest income is calculated using the effective interest method. Except investments in unit trust of fixed income fund which are recorded as investment designated at fair value through other comprehensive income, the cumulative gain or loss previously recognized in other comprehensive income is not be reclassified subsequently to profit or loss according to BOT’s notification Sor.Nor.Sor. 6/2563 regarding holding or having the investment in unit trust of fixed income fund to enhance the liquidity of the money market dated March 25, 2020.

1.3 Debt instruments at FVTPL

Debt instruments measured at FVTPL are financial assets that do not meet the criteria for amortized cost or FVOCI which are presented as Financial assets measured at FVTPL in the statement of financial position.

After initial recognition, debt instruments at FVTPL are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognized in profits or loss.

2. Equity instruments

Equity instruments are subsequently measured at fair value through profit or loss which are presented as Financial assets measured at FVTPL in the statement of financial position.

Except where the Bank and its subsidiaries have elected, at initial recognition, to irrevocably designate an equity instrument at FVOCI which is presented as “Investments, net” in the statement of financial position. When the election to FVOCI is made, the cumulative gain or loss previously recognized in OCI is not subsequently reclassified to profit or loss but transferred to retained earnings.

Dividend income whilst holding the equity instruments is presented as dividend income in profit or loss.

Reclassifications

If the business model under which the Bank and its subsidiaries hold financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the financial assets. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

The Bank and its subsidiaries renegotiate loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

A financial asset is derecognized when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

Modification without derecognition means the non-substantial modification arising from renegotiation or modification of the contractual cash flows of financial assets that has not resulted in derecognition (Modified financial assets). In this case, a modification gain or loss which is the difference between the existing gross carrying amount and the present value of the renegotiated or modified contractual cash flows discounted by the original effective interest rate ("OEIR") or the credit-adjusted effective interest rate for purchased or originated credit-impaired ("POCI") financial assets shall be recognized in profit or loss. Any costs of fees incurred as part of the modification shall be adjusted to the carrying amount of the modified financial assets and amortized over the remaining term of the modified financial asset.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Bank and its subsidiaries have a legal right to offset the amounts and intend to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 Derivatives

The Bank and its subsidiaries enter into a variety of derivative financial instruments some of which are held for trading while others are held to manage its exposure to interest rate risk and foreign exchange rate risk.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Bank and its subsidiaries designate certain derivatives as either hedges of the fair value, cash flow, or hedges of net investments in foreign operations.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability.

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

For derivatives embedded in financial asset host contracts, the entire hybrid contract, including all embedded features, are classified in accordance with the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For derivatives embedded in financial liabilities and non-financial host contracts, embedded derivatives will be separated from the host contract and accounted for as derivatives when the following conditions are met:

1. the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;
2. a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and;
3. the hybrid instrument is not measured at fair value with changes in fair value recognized in profit and loss.

If embedded derivatives are separated, the host contract will be accounted for according to the appropriate standard. The embedded derivative will be recognized at fair value on the statement of financial position with changes to fair value being recognized in profit and loss.

If embedded derivatives are required to be separated but the fair value of the embedded derivative cannot be determined either at acquisition or at a subsequent financial reporting date, the entire hybrid contract will have to be recognized at fair value through profit and loss.

4.4 Hedge accounting

General hedge

The Bank and its subsidiaries designate certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as appropriate.

At the inception of the hedge relationship, the Bank and its subsidiaries document the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Bank and its subsidiaries document whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Bank and its subsidiaries actually hedge and the quantity of the hedging instrument that the Bank and its subsidiaries actually use to hedge that quantity of hedged item.

The Bank and its subsidiaries designate only the change in the value of the spot element of a forward contract and the foreign currency basis spread separated and excluded from the designation of a financial instrument as the hedging instrument for some hedge relationships. The changes in the fair value of the forward element of a forward contract or the foreign currency basis spreads of financial instruments are recognized in other comprehensive income and accumulated in the cost of hedging reserve. If the hedged item is transaction-related, the forward element of a forward contract or the foreign currency basis spreads of financial instruments is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time-period related, then the amount accumulated in the cost of hedging reserve is reclassified to profit or loss on a systematic and rational basis, the Bank and its subsidiaries apply straight-line amortization. Those reclassified amounts are recognized in profit or loss in the same line as the hedged item. If the hedged item is a non-financial item, then the amount accumulated in the cost of hedging reserve is removed directly from equity and included in the initial carrying amount of the recognized non-financial item. Furthermore, if the Bank and its subsidiaries expect that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Note 7.5 Derivatives sets out details of the fair values of the derivative instruments used for hedging purposes and movements in the hedging reserve in equity.

Fair value hedges

The fair value change on qualifying hedging instruments is recognized in profit or loss except when the hedging instrument hedges an equity instrument designated at FVOCI in which case it is recognized in OCI.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at FVOCI, the carrying amount is not adjusted as it is already at fair value, but the part of the fair value gain or loss on the hedged item associated with the hedged risk is recognized in profit or loss instead of OCI. When the hedged item is an equity instrument designated at FVOCI, the hedging gain or loss remains in OCI to match that of the hedging instrument.

Where hedging gains/losses are recognized in profit or loss, they are recognized in the same line as the hedged item.

The Bank and its subsidiaries discontinue hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of hedged items for which the effective interest method is used (i.e. debt instruments measured at amortized cost or at FVOCI) arising from the hedged risk is amortized to profit or loss commencing no later than the date when hedge accounting is discontinued.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in the cash flow hedging reserve, a separate component of OCI, limited to the cumulative change in fair value of the hedged item from inception of the hedge less any amounts recycled to profit or loss.

Amounts previously recognized in OCI and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. If the Bank and its subsidiaries no longer expect the transaction to occur that amount is immediately reclassified to profit or loss.

The discontinuation is accounted for prospectively. Any gain or loss recognized in OCI and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is reclassified and recognized immediately in profit or loss.

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in OCI and accumulated in the foreign currency translation reserve.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified from equity to profit or loss in the same way as exchange differences relating to the foreign operation as described above.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss.

Dynamic risk management

The Bank and its subsidiaries enter into dynamic risk management which has the characteristics (a) risk management is undertaken for open portfolio(s), to which new exposures are frequently added and existing exposures mature; and (b) as the risk profile of the open portfolio(s) changes, risk management is updated on a timely basis in reaction to the changed net risk position. The derivatives under dynamic risk management are recognized on an accrual basis.

4.5 Investments, net

Investments, net consist of:

- 1) Debt instruments at amortized cost
- 2) Debt instruments at fair value through other comprehensive income
- 3) Equity instruments designated at fair value through other comprehensive income

Investments in debt instruments and equity instruments have been initially recognized on the settlement date and trade date, respectively.

4.6 Investments in subsidiaries, associate and joint ventures, net

In the consolidated financial statements, investments in associates and joint ventures are accounted for using the equity method. In the Bank's financial statements, investments in subsidiaries, associates and joint ventures are accounted for using the cost method less impairment loss.

4.7 Allowance for expected credit loss

The Bank and its subsidiaries recognize a loss allowance for expected credit loss ("ECL") on financial assets measured at amortized cost or measured at fair value through other comprehensive income. No impairment loss is recognized on equity instruments measured at fair value through other comprehensive income.

With the exception of purchased or originated credit-impaired financial assets, which are considered separately below, ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- lifetime ECL, that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows under the contract and the cash flows that the Bank and its subsidiaries expect to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate ("EIR"). The ECL is adjusted with a management overlay where considered appropriate.

For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows if the holder of the commitment draws down the loan and the cash flows that the Bank and its subsidiaries expect to receive if the loan is drawn down.

For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Bank and its subsidiaries expect to receive from the holder, the debtor or any other party.

The Bank and its subsidiaries measure ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's OEIR, regardless of whether it is measured on an individual basis or a collective basis.

In subsequent reporting period, if the credit quality of the financial assets and financial commitments improves so that there is no longer a significant increase in credit risk since initial recognition, then a loss allowance can be recognized based on 12-month ECL. The changes in the reversal of loss allowance are recognized in profit or loss as an impairment gain or loss.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets.

The Bank and its subsidiaries assess whether debt instruments measured at amortized cost or FVOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Bank and its subsidiaries consider factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikelihood to pay indicators.

The unlikelihood to pay indicators might include the following events:

- Significant financial difficulty of the issuer or borrower without remediated actions
- A significant breach of contract such as default or overdue for 90 days or more
- It is become probable that the borrower will enter bankruptcy

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Bank and its subsidiaries consider the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Bank and its subsidiaries; or
- the borrower is unlikely to pay its credit obligations to the Bank and its subsidiaries in full.

Significant increase in credit risk

The Bank and its subsidiaries monitor all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Bank and its subsidiaries will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Bank and its subsidiaries compare the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Bank and its subsidiaries consider both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort, based on the Bank and its subsidiaries' historical experience and expert credit assessment.

The following information might be taken into account when assessing whether credit risk has increased significantly since initial recognition:

- Significant deterioration in the financial instrument's external (if applicable) or internal credit rating
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations
- An actual or expected significant deterioration in the operating results of the debtor
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations

As a back-stop when an asset becomes 30 days past due, the Bank and its subsidiaries consider that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding.

Despite the foregoing, the Bank and its subsidiaries assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

The Bank and its subsidiaries consider a financial asset to have low credit risk when the asset has PD equivalent to external credit rating of "investment grade" in accordance with the globally understood definition.

The Bank and its subsidiaries regularly monitor the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revise them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Purchased or originated credit-impaired financial assets

Purchased or originated credit-impaired financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Bank and its subsidiaries recognize all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognized in profit or loss. If it is a change in lifetime ECL is favorable, the impairment gain is recognized even if the lifetime ECL are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.

Write-off

The Bank and its subsidiaries directly reduce the gross carrying amount of a financial asset when the Bank and its subsidiaries have no reasonable expectations of recovering financial assets in their entirety or portion thereof. A write-off constitutes a derecognition event. Write-offs are recognized in the statement of profit or loss and other comprehensive income.

Bad debts recovered from written off receivables will be recognized in the Statement of profit or loss and other comprehensive income.

Loss allowances for ECL are presented in the statement of financial position as follows:

- For financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- For debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;
- For loan commitments and financial guarantee contracts: as a provision; and where a financial instrument includes both a drawn and an undrawn component, and the Bank and its subsidiaries cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank and its subsidiaries present a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

4.8 Troubled debt restructuring

A trouble debt restructuring (“TDR”) is a modification of loan of Stage 3 Borrowers (Impaired Loan or Non-performing Loan) who are in financial distress and unable to meet their original contractual repayment terms. For Stage 1 and Stage 2 borrowers, modification of loan would be considered as Pre-emptive action taken with an aim to prevent borrower from turning NPL. TDR can be initiated by the client, the Bank or a third party including government sponsored programmes. TDR may include the reduction of principal and accrued interest and other forms such as modifications of terms, asset transfers, equity securities transfers, and etc or any other criteria as specified by the Bank of Thailand. TDR loan that has been modified, and not derecognized, on

terms that are not consistent with those readily available in the market or the conditions specified by BOT are considered credit impaired if there is a detrimental impact on cash flows. TDR loan may be subjected to modification gain or loss calculation. The amount of modification gain or loss arises from the difference between the gross carrying amount before modification and the present value of the expected future cash flow discounted by the original effective interest rate. The modification gain or loss is recognized in the statement of profit or loss and other comprehensive income with a corresponding increase or decrease in gross carrying value of the asset.

4.9 Properties for sale

Properties for sale consist of immovable and movable properties which are recorded at the lower of net investment in the loan plus accrued interest including previously unrecognized contractual interest or the fair value of the property as of the date of foreclosure.

The Bank and its subsidiaries provided the allowance for impairment of properties for sale as disclosed in Note 6.3. Losses on impairment of properties for sale are shown as an expense in the statements of profit or loss and other comprehensive income.

Gains or losses on the disposal of such properties are realized upon disposition of the underlying asset and are included in other operating income in the statements of profit or loss and other comprehensive income.

In accordance with Sor Nor Sor. 4/2564, regarding “Measurement of asset warehousing for debt repayment”, the assets are transferred to the Bank for repayment based on agreed price with the buy-back conditions within 5 years since transferring date and rent-back conditions for business operation. The Bank derecognizes loans to customers and presents transferred assets as properties for sale in accordance with the ownership of the transferred assets. The transferred assets have the same measurement as other properties for sale. Income received from customers is recorded as other income.

4.10 Property, premises and equipment

Land is stated at the appraised value. Premises are stated at the appraised value less accumulated depreciation. Equipment is stated at cost less accumulated depreciation.

Revaluation of assets

Land and premises have been revalued by independent appraisers based on the market value for land and depreciated replacement cost for premises. For the portion of land and premises which have been revalued, the increments above the previous appraisal are recorded in land revaluation surplus and premises revaluation surplus accounts. In case of a revaluation decrease, the decline in value is deducted from such revaluation surplus to the extent that the new value is above original cost and recognized in the statements of profit or loss and other comprehensive income for the decrease in value below original cost.

The Bank's suite units in condominiums used as offices have been revalued by independent appraisers in accordance with the BOT's guidelines using depreciated replacement cost. The Bank has recorded the increment per appraisal of premises as revaluation surplus. Any revaluation decrease in excess of the original cost is recorded by deducting from the revaluation surplus.

During the Bank's usage of the revalued assets, the revaluation surplus will be gradually transferred directly to retained earnings equal to the difference between the depreciation calculated from book value of the revalued assets and the depreciation calculated from the original cost of such assets. All balances of the outstanding revaluation surplus will be transferred to retained earnings when the Bank writes off such assets from the financial statements.

Depreciation

Depreciation of premises (included revaluation) and equipment is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Premises and building improvement	10 - 50 years
Equipment, furniture, fixtures, office equipment and vehicles	2 - 10 years

Gains or losses on the disposal of property, premises and equipment are recognized in other operating income or other operating expenses in the statements of profit or loss and other comprehensive income.

4.11 Lease

Short-term leases and leases of low-value assets

The Bank and its subsidiaries assess whether a contract is or contains a lease, at inception of the contract. The Bank and its subsidiaries recognize a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as leases with the underlying asset value not exceed Baht 150,000). For these leases, the Bank and its subsidiaries recognize the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use asset

A lease that has a lease term of more than 12 months and for which the underlying asset exceeds Baht 150,000 shall be recognized for a right-of-use asset at cost which consists of the amount of the initial measurement of the lease liability (that is the present value of the lease payments that are not paid at the commencement date, discounted by the incremental borrowing rate), any lease payments made at or before the commencement date, any initial direct costs incurred, and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset (leased asset) to the condition required by the terms and conditions of the lease, less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability.

The right-of-use asset is presented in premises and equipment, net in the statement of financial position.

Depreciation of right-of-use assets is calculated based on the estimated useful lives in case the lease transfers ownership of the underlying asset; or calculated based on the shorter of the estimated useful lives or the lease term in case the lease does not transfer ownership of the underlying asset.

Impairment of right-of-use assets shall be determined using the TAS 36 Re: Impairment of Assets which explains how to review the carrying amount of its assets, how to determine the recoverable amount of an asset, and when an impairment loss is recognized or reversed.

Lease liability

At the commencement date of the lease, the Bank and its subsidiaries recognize lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Lease liability is presented in other liabilities in the statement of financial position. Finance charges are charged directly to the statements of profit or loss and other comprehensive income.

The Bank and its subsidiaries remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

4.12 Intangible assets

Intangible assets with indefinite useful lives are stated at cost less allowance for impairment, if any. Intangible assets with finite useful lives are stated at cost less accumulated amortization and allowance for impairment.

Amortization

Software, licenses and trademark amortization are calculated by the straight-line method over the expected future economic benefit period between 2 - 25 years.

Amortization of other intangible assets received from business combinations such as information of customer relationships, dealer relationships and the distribution network are calculated by the straight-line method over the expected future economic benefit period between 5 - 20 years.

Amortization incurred is recognized as other operating expense in the statements of profit or loss and other comprehensive income.

4.13 Financial Liabilities

Financial liabilities are initially recognized at fair value plus transaction costs, and are subsequently measured at amortized cost using the effective interest method, except when the liabilities are held at fair value through profit or loss.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognized in the statements of financial position when, and only when, the Bank and its subsidiaries become a party to the contractual provisions of the financial instrument. The financial liabilities measured at amortized cost, which is the amount at which the financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

Interest expense and EIR amortization as well as foreign exchange gains or losses on financial liabilities measured at amortized cost are recognized in the statement of profit or loss and other comprehensive income.

A financial liability is derecognized when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognized in profit or loss.

4.14 Recognition of income

Interest income for all financial instruments except for those measured or designated as at FVTPL are recognized as interest income in profit or loss using the effective interest method.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and costs paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts.

Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortized cost of the financial asset before adjusting for any allowance for expected credit loss).

For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets purchased or originated credit-impaired, the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Interest income also includes the effective portion of fair value changes of derivatives designated as hedging instruments in cash flow hedges of interest rate risk. For fair value hedges of interest rate risk, the effective portion of fair value changes of the designated derivatives as well as the fair value changes of the designated risk of the hedged item are also included in interest income.

Fee and service income other than those that are an integral part of EIR, is recognized based on contracts with customers in the amount of consideration that the Bank and its subsidiaries expected to receive upon service providing. The timing of recognition depends on whether the Bank and its subsidiaries satisfy a performance obligation by providing services to a customer over time or at a point in time.

4.15 Recognition of expenses

Interest expenses are recognized by using the effective interest method.

Fee and service expenses with regards to services are accounted for as the services are received.

Other expenses are recognized on an accrual basis.

4.16 Employee benefits

The Bank and subsidiaries have 4 types of employee benefits as follows:

4.16.1 Provident funds

The Bank and its subsidiaries established a provident fund under the Provident Fund Act B.E. 2530. The fund is managed by a financial institution which is an authorized fund manager.

Member is required to make contribution at the rate of not less than 3% of salary.

The Bank and its subsidiaries will contribute as follows:

Service periods	Contribution rate (%)
Less than 5 years	5 - 10
5 years but less than 10 years	6 - 12
10 years but less than 20 years	8 - 12
Over 20 years	10 - 12.5

The contributions to the provident fund made by the Bank and its subsidiaries are recorded as employees' expenses in the statements of profit or loss and other comprehensive income.

4.16.2 Post-employment benefit obligations

- Pension plan

The employees of the Bank and a subsidiary who were permanently employed prior to January 1, 1998 and have completed at least 10 continuous service years are eligible to receive a pension payment when they leave. On January 1, 1998, the provident fund for employees was established to replace the pension plan. After the establishment of the provident fund, the amount due to a departing employee shall first be disbursed from the provident fund. If the estimated contributions made by the Bank and a subsidiary and interest thereon are less than the pension receivable under the pension plan, the Bank and a subsidiary will pay such difference by disbursing from the pension fund.

- Legal severance payment plan

All employees will receive severance payment upon retirement in accordance with the Labor Protection Act.

- Special retirement allowance

The employee will receive "Special Retirement Allowance" additional to legal severance payment plan upon resignation in accordance with the Bank's policy.

The obligations of these plans are considered as unfunded defined benefit obligations and are separately measured by an actuary using the projected unit credit method to determine the present value of cash flows of employee benefit to be paid in the future. Under this method, the obligation is based on an actuarial calculation including the employee's expected salary, business turnover rate, salary increase rate, mortality rate, discount rate, years of services and other factors.

The Bank and its subsidiaries recognize expenses for the defined benefit plan are recognized as employee's expenses in the statement of profit or loss and other comprehensive income.

Past service cost related to the plan amendment is recognized as an employee's expense in the statements of profit or loss and other comprehensive income when the plan amendment is effective.

Actuarial gains (losses) are recognized in other comprehensive income.

4.16.3 Benefit from carry forward leave

The Bank and its subsidiaries recognize the benefit from cumulative carry forward leave is recognized as a liability in the statements of financial position and employee's expenses in the statements of profit or loss and other comprehensive income when the employees render the service.

4.16.4 Other benefit

The employee of a subsidiary will receive other benefit upon resignation or retirement in accordance with the subsidiary's policy.

The cumulative of other benefit is recognized as a provision in the statement of financial position.

The expense is categorized as defined contribution plan and recorded as employee's expenses in the statements of profit or loss and other comprehensive income.

4.17 Contributions to the Financial Institutions and Development Fund and the Deposit Protection Agency

Contributions to the Financial Institutions Development Fund and the Deposit Protection Agency are recognized on an accrual basis as expenses in the statements of profit or loss and other comprehensive income.

4.18 Customer Loyalty Programmes

Customer Loyalty Programmes are to grant the points to customer who joins the program. The points are based on the certain transactions determined under customer loyalty programmes and able to be redeemed for free or discount of merchandise or services.

Obligation from granting the points is recognized and measured at the fair value of the consideration received or receivable which is derived from outstanding points expected future redemption multiplied by estimated fair value per point.

Such obligation is allocated from consideration received or receivable and recorded through deferred revenue customer loyalty programmes under other liabilities and recognized as fee income when the points are redeemed by customers.

4.19 Taxation

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

4.19.1 Current tax

The current tax is the amount of income tax payable in respect of taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other 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. Current tax is calculated using tax rates that have been enacted or substantively enacted on 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 Bank and its subsidiaries intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

4.19.2 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 basis used in the computation of taxable profit (tax base). The Bank and its subsidiaries recognize deferred tax liabilities for all taxable temporary differences and recognize deferred tax assets 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 the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that the Bank and its subsidiaries have sufficient taxable profit to allow total or part of the asset to be recovered. The Bank and its subsidiaries do not recognize deferred tax assets and liabilities for goodwill.

The Bank and its subsidiaries measure deferred tax assets and liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted on the end of the reporting period.

Deferred tax assets and liabilities must offset when the Bank and its subsidiaries have 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.

The Bank and its subsidiaries present income tax expenses or income related to profit or loss in the statements of profit or loss and other comprehensive income. For current income taxes and deferred taxes related to items recognized directly in other comprehensive income in equity in the same or different period, they will be recognized directly in other comprehensive income in equity.

4.20 Earnings per share

Basic earnings per share is calculated by dividing net income by the number of weighted-average ordinary shares outstanding during the year.

4.21 Foreign currency transactions

4.21.1 Translation of foreign currency transactions

Transactions denominated in foreign currency are translated into the functional currency as follows:

On transaction date, the foreign currency transactions are translated using the exchange rate at the date of transaction.

At the end of each reporting period, the balance of monetary assets and liabilities are translated using the exchange rate on the reporting date and the balance of non-monetary assets and liabilities measured at historical cost are translated using the exchange rate at the transaction date.

Foreign exchange gains or losses from translation are recognized as income or expenses in gains (losses) on financial instruments measured at fair value through profit or loss, net in the statements of profit or loss and other comprehensive income.

4.21.2 Translation of financial statements of foreign operations

In preparation of the consolidated and the Bank's financial statements, the Bank translates the financial statements of foreign operations which its functional currency is other than Thai Baht currency as follows:

The assets and liabilities of foreign operations are translated to Thai Baht at the foreign exchange rate at the reporting date.

The revenue and expenses of foreign operations are translated to Thai Baht at the foreign exchange rate at the dates of the transactions.

Foreign exchange differences arising from translation of the financial statements of foreign operations are recognized in other comprehensive income and its cumulative amount is presented as foreign currency translation reserve in other reserves under equity.

4.22 Business combination

Business combination which is not under common control

The Bank recognizes the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree separately from goodwill at fair value.

Goodwill in a business combination represents the excess of the cost of acquisition over the Bank's interest in the fair value of the identifiable net assets acquired as at the date of acquisition.

Gain from a bargain purchase arising on business acquisition represents the excess of the acquirer's interest in the fair value of the identifiable net asset acquired over the cost of acquisition as at the date of acquisition.

Other costs directly attributable to the business combination are recorded as a part of the acquiree's investment costs in the bank's financial statements. However, other costs have been recognized as expenses in the statements of profit or loss and other comprehensive income in the consolidated financial statements.

Goodwill in a business combination is recognized as an asset recorded as of the acquisition date. Gain from a bargain purchase is recognized as income in the statements of profit or loss and other comprehensive income.

Goodwill is stated at cost less allowance for impairment (if any).

Business combination under common control

The Bank recognizes the business combination under common control similar to pooling of interests in accordance with the accounting guidance "Business Combination Under Common Control". The assets and liabilities of the acquiree are recognized using the net book value at the date of business combination. The difference between the cost of business combination and the interest of the Bank in the acquiree's net book value is recognized as premium (deficit) from business combination under common control presented under the Bank's equity in the statement of financial position.

Loans acquired as part of a business combination are recognized at fair value at the acquisition date and those acquired loans are divided into those considered purchased or originated credit-impaired (“POCI”) and those not considered POCI.

The allowance established for loans considered POCI at acquisition is offset by an increase in the basis of the acquired loans. Any subsequent measurement in the allowance related to acquired loans, regardless of POCI status, are recognized through expenses in statement of profit or loss and other comprehensive income.

5. RISK MANAGEMENT

5.1 Market Risk

1) Objective and Market Risk Management Policy

Market risk refers to the risk of loss caused by price fluctuations in the trading and banking books related to interest rates, exchange rates, equity instruments, and commodities.

The Bank places great importance on effective market risk management and controls by establishing market risk management policy. The Bank controls market risk under the risk appetite approved by the Board of Directors (Board). The risk limits have been regularly reviewed to ensure that they are commensurate with the scope, volume, and complexity of transactions, and support prudent business expansion. The Bank maintains sufficient capital for both normal and stressed business conditions.

2) Organization and Structure

The Board has delegated the Risk and Compliance Committee (RCC) to supervise overall risk management, and compliance principles and practices of the Bank.

The Executive Committee has assigned the Risk Management Committee (RMC) to formulate strategies and confirm the adequacy of risk and control procedures and the Asset and Liability Management Committee (ALCO) to establish guidelines for appropriate management of assets, liabilities, and off-balance sheet items.

The organizational structure of market risk management clearly segregates the duties and responsibilities of the units responsible for executing transaction, operations, and risk management to avoid conflicts of interest. The Market Risk Management Division, an independent function reporting to the Chief Risk Officer, is responsible for risk management.

The division highlights and reports the potential market risk that the Bank may expose to, and provides strategic risk management options to relevant committees. The Global Markets Group executes transactions and manages positions as well as provides strategic options for effective market risk management.

3) Market Risk Management Framework

The Bank has continuously conducted the forward-looking risk management and closely monitor to support the business expansion in potential financial products and services to meet more complicated and varieties customers' demand at the acceptable market risk level amid high volatility in global financial markets and tightening regulation from BOT.

The Bank classified the market risk exposures into two main portfolios based on the nature and purpose of a transaction, namely trading book and banking book.

- **A trading book** consists of positions in financial instruments held either for trading or hedging other elements of the trading book.
- **A banking book** consists of positions in financial instruments or other transactions not intended for trading, or financial instruments meant to be held for a long period or until reaching maturity.

Market Risk Factors and Risk Management

The Bank's transactions are exposed to interest rate risk, foreign exchange risk, and equity price risk, all of which may affect income and/or shareholders' equity.

Interest Rate Risk

Interest rate risk arises from the structure and characteristics of the Bank's assets, liabilities and off-balance sheet items, and from the mismatch of their repricing rates and frequency.

The Bank employs various tools and methods for the interest rate risk management. Net interest income simulation is conducted to assess the impact on banking book position while Value-at-Risk (VaR) tool is employed for the trading book position to estimate the Bank's potential maximum loss.

Foreign Exchange Risk

The Bank has a policy to cap the net foreign currency position. Most foreign currency transactions are mainly from products and services provided to the Bank's customers.

In addition, the Bank enters into forward foreign exchange contracts as part of the risk management strategy of the foreign exchange risk arising from the Bank's underlying assets and liabilities and hedges that risk from customers' transactions. The utilization of forward foreign exchange contracts for these purposes is governed by policies and guidelines approved by the Bank's Board and controlling procedures set by the relevant departments and Committees.

The Bank monitors the risk level under the specified limits using the Value-at-Risk Method as one of the tools to manage the exchange rate risk.

Equity Price Risk

The Bank assesses the potential of securities issuer companies and has a policy to buy/sell equity securities mainly for medium-term and long-term purpose. In managing equity position risk, which is held according to initial intention, as long-term for Banking Book, the Bank monitors and reports the equity price risk and ensure that the level of capital fund is appropriate and sufficient to absorb losses arising from the change of equity price.

For Trading Book, the Bank monitors the level of risk under the specified risk limits using the VaR Method to manage the equity price risk.

Measurements of Market Risk in Trading Book

Market risk exposures in trading book

Financial business group: Value-at-Risk (VaR)

Financial business group: VaR (Trading book) as at December 31, 2023 and 2022

	Unit: Million Baht VaR*	
	2023	2022
Overall	703	593
Interest rate risk	170	178
Foreign currency risk	716	499
Equity risk	-	-

* Confident level 99% Holding period 10 Days

The Bank: Sensitivity analysis

The Bank's sensitivity analysis (Trading book) as at December 31, 2023 and 2022

	Unit: Million Baht Estimated profit (loss) impact	
	2023	2022
Interest Rate		
1. Interest rate parallel increase 100 bps	(21)	33
2. Non-parallel: unchanged for tenor less than or equal to 1 year ; increase 50 bps for tenor over 1 year	1	1
Foreign Exchange		
3. USD/THB exchange rate increase 1%	(1)	7
Equity		
4. All equities price decrease for 10%	-	-

Measurements of Interest Rate Risk in Banking Book

Interest rate risk exposures in banking book as at December 31, 2023 and 2022

Net interest income sensitivity*
(Earnings perspective)

Short-term effect analysis: assesses the potential impact on net interest income (NII Impact) as earnings perspective.

Currency	CONSOLIDATED SUPERVISION		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
THB	456	(1,912)	265	(1,970)
USD	(626)	(450)	(503)	(340)
Other foreign currencies	(874)	(275)	(812)	(264)
Total impact	<u>(1,044)</u>	<u>(2,637)</u>	<u>(1,050)</u>	<u>(2,574)</u>
% of net interest income over the next 12 months	(0.92%)	(3.01%)	(1.64%)	(4.77%)

* The changes in increase interest rates of 100 bps.

Book value of equity sensitivity*
(Economic value perspective)

Long-term effect analysis: analyzing the sensitivity of the economic value of shareholder equity (BVE Impact) as economic value perspective.

Currency	CONSOLIDATED SUPERVISION		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
THB	(8,735)	(11,216)	(8,251)	(10,553)
USD	(535)	(832)	(229)	(235)
Other foreign currencies	(394)	(133)	56	(34)
Total impact	<u>(9,664)</u>	<u>(12,181)</u>	<u>(8,424)</u>	<u>(10,822)</u>
% of Total capital fund	(2.44%)	(3.17%)	(2.73%)	(3.60%)

* The changes in increase interest rates of 100 bps.

Structure of assets and liabilities based on next repricing as at December 31, 2023 and 2022 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
	0 - 3 Months	More than 3 - 12 Months	More than 1 - 5 Years	2023 Over 5 Years	NPL	Non- Interest bearing	Total
Financial assets							
Interbank and money market items, net	419,410	2,060	9,252	1,039	-	76,213	507,974
Investments, net	7,696	44,336	71,921	-	-	6,586	130,539
Loans to customers	1,045,441	241,764	534,986	41,659	61,481	91,873	2,017,204
Financial liabilities							
Deposits	1,296,116	408,853	84,164	176	-	50,292	1,839,601
Interbank and money market items	244,424	42,072	32,322	1,419	-	3,759	323,996
Debt issued and borrowings	3,498	30,925	69,532	240	-	22	104,217

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
	0 - 3 Months	More than 3 - 12 Months	More than 1 - 5 Years	2022 Over 5 Years	NPL	Non- Interest bearing	Total
Financial assets							
Interbank and money market items, net	395,461	5,651	4,252	1,039	-	54,517	460,920
Investments, net	16,432	31,228	88,090	890	-	8,527	145,167
Loans to customers	973,105	257,079	531,554	46,557	53,875	87,239	1,949,409
Financial liabilities							
Deposits	1,421,094	270,873	62,576	70	-	50,079	1,804,692
Interbank and money market items	250,065	12,736	21,718	1,543	-	3,915	289,977
Debt issued and borrowings	10,958	8,783	78,184	242	-	32	98,199

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

				2023			
	0 - 3 Months	More than 3 - 12 Months	More than 1 - 5 Years	Over 5 Years	NPL	Non- Interest bearing	Total
Financial assets							
Interbank and money market items, net	414,191	3,775	9,355	411	-	61,441	489,173
Investments, net	5,334	44,336	71,408	-	-	4,275	125,353
Loans to customers	1,034,094	185,884	449,842	39,503	43,945	5,231	1,758,499
Financial liabilities							
Deposits	1,293,940	390,235	80,812	-	-	50,732	1,815,719
Interbank and money market items	228,018	12,032	27,034	411	-	3,785	271,280
Debt issued and borrowings	-	21,232	57,000	-	-	1	78,233

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

				2022			
	0 - 3 Months	More than 3 - 12 Months	More than 1 - 5 Years	Over 5 Years	NPL	Non- Interest bearing	Total
Financial assets							
Interbank and money market items, net	396,651	5,651	4,252	518	-	44,708	451,780
Investments, net	16,432	31,228	87,572	890	-	5,933	142,055
Loans to customers	972,168	224,141	455,249	40,029	43,750	4,528	1,739,865
Financial liabilities							
Deposits	1,419,026	252,815	59,347	-	-	50,998	1,782,186
Interbank and money market items	241,756	7,453	19,043	521	-	3,932	272,705
Debt issued and borrowings	4,100	2,440	60,826	-	-	1	67,367

5.2 Liquidity Risk

1) Objective and liquidity risk management policy

The Bank controls liquidity risk under the risk appetite approved by the Board of Directors (Board) with appropriate operating costs. The Bank places great importance on effective liquidity risk management and controls by establishing liquidity risk management policy and emergency contingency plan. Additionally, the Bank maintains liquid assets to comply with the Bank of Thailand's regulations and emphasizes on management of excess liquidity at an acceptable level and an adequate amount for both the Bank's and its subsidiaries' business operations. Liquidity management utilizes both qualitative and quantitative approaches to ensure appropriate risk diversification and management.

2) Organization and structure

The Board delegates the authority to manage and control liquidity risk consistent with the Bank's policies to the relevant committees. The Bank also reviews risk policies and limits on regular basis or when there is any significant change in the market to ensure that they are commensurate with changing business and market conditions.

Liquidity risk management is overseen by the the Risk and Compliance Committee (RCC), the Risk Management Committee (RMC), and the Asset and Liability Management Committee (ALCO).

The organizational structure of liquidity risk management clearly segregates the responsibilities and duties of the units responsible for executing transactions, operations and risk management to avoid conflicts of interest. The Market Risk Management Division, an independent function reporting to the Chief Risk Officer, is responsible for risk management.

The division provides strategic risk management options, while the Global Markets Group proposes proper funding liquidity management strategies, and manages daily liquidity positions under risk limits approved by the Board.

3) Liquidity risk management framework

The Bank is fully aware of the importance of regulatory requirements and manages liquidity risks as deemed appropriate based on market conditions and within acceptable risk levels.

To ensure the efficiency of the liquidity risk management to generate sufficient liquidity for debt repayment and various obligations upon maturity or being called under normal and extreme circumstances, the Bank has clearly established the liquidity risk management framework to be able to manage and control such risk in accordance with its policy and strategy and maintain such risk within its liquidity risk tolerance approved by the Board.

Liquidity Risk Measurements

The Bank's liquidity risk factors are from the mismatched structure of sources and uses of funds.

The Bank realizes the importance of measuring tools that are suited to the size and complexity of transactions both on- and off-balance sheet.

The Bank employs liquidity risk measurement tools from maturity mismatches of cash flows from assets, liabilities and off-balance sheet such as cash flow/liquidity projection and liquidity gap analysis according to the remaining contractual maturity behavioral adjustment and the 3 stress test scenarios (Bank-specific crisis, Market-wide crisis and combination of Bank-specific crisis and Market-wide crisis), together with sufficient liquidity reserves.

Additionally, the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) have been implemented to comply with BOT regulation to enhance short-term and long-term liquidity risk management.

Financial assets and financial liabilities based on remaining contractual maturity as at December 31, 2023 and 2022 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS							
Unit: Million Baht							
	At call	Within 1 Year	Over 1 Year but within 5 Years	2023 Over 5 Years	No maturity	Non-Performing Loans	Total
Financial Assets							
Cash	28,170	-	-	-	-	-	28,170
Interbank and money market items, net	92,277	400,801	9,662	5,022	212	-	507,974
Financial assets measured at FVTPL	-	1	570	651	518	-	1,740
Derivatives assets	-	16,449	7,044	5,563	-	-	29,056
Investments, net	-	45,987	76,751	1,669	6,132	-	130,539
Loans to customers	50,056	730,665	833,307	331,891	9,804	61,481	2,017,204
Total	170,503	1,193,903	927,334	344,796	16,666	61,481	2,714,683
Financial Liabilities							
Deposits	944,981	773,803	120,641	176	-	-	1,839,601
Interbank and money market items	20,965	244,573	43,350	15,108	-	-	323,996
Liability payable on demand	4,387	-	-	-	-	-	4,387
Derivatives liabilities	-	19,543	6,215	7,081	-	-	32,839
Debt issued and borrowings	-	13,224	29,928	61,065	-	-	104,217
Total	970,333	1,051,143	200,134	83,430	-	-	2,305,040
Net liquidity gap	(799,830)	142,760	727,200	261,366	16,666	61,481	409,643

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

	At call	Within 1 Year	Over 1 Year but within 5 Years	2022 Over 5 Years	No maturity	Non- Performing Loans	Total
Financial Assets							
Cash	29,810	-	-	-	-	-	29,810
Interbank and money market items, net	84,420	366,623	3,780	6,021	76	-	460,920
Financial assets measured at FVTPL	-	-	-	645	353	-	998
Derivatives assets	-	14,430	9,236	6,361	-	-	30,027
Investments, net	-	44,022	90,829	2,457	7,859	-	145,167
Loans to customers	62,106	638,678	852,379	342,371	-	53,875	1,949,409
Total	176,336	1,063,753	956,224	357,855	8,288	53,875	2,616,331
Financial Liabilities							
Deposits	1,085,072	614,270	105,284	66	-	-	1,804,692
Interbank and money market items	31,166	217,338	39,654	1,819	-	-	289,977
Liability payable on demand	4,226	-	-	-	-	-	4,226
Derivatives liabilities	-	22,883	7,068	7,389	-	-	37,340
Debt issued and borrowings	-	17,353	19,778	61,068	-	-	98,199
Total	1,120,464	871,844	171,784	70,342	-	-	2,234,434
Net liquidity gap	(944,128)	191,909	784,440	287,513	8,288	53,875	381,897

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

	At call	Within 1 Year	Over 1 Year but within 5 Years	2023 Over 5 Years	No maturity	Non- Performing Loans	Total
Financial Assets							
Cash	25,128	-	-	-	-	-	25,128
Interbank and money market items, net	76,290	402,493	9,765	413	212	-	489,173
Financial assets measured at FVTPL	-	1	571	51	-	-	623
Derivatives assets	-	16,413	7,243	5,602	-	-	29,258
Investments, net	-	43,627	75,978	-	5,748	-	125,353
Loans to customers	68,223	592,173	725,446	328,712	-	43,945	1,758,499
Total	169,641	1,054,707	819,003	334,778	5,960	43,945	2,428,034
Financial Liabilities							
Deposits	951,263	747,167	117,289	-	-	-	1,815,719
Interbank and money market items	18,942	206,070	32,168	14,100	-	-	271,280
Liability payable on demand	4,382	-	-	-	-	-	4,382
Derivatives liabilities	-	19,457	6,527	7,113	-	-	33,097
Debt issued and borrowings	-	11	17,396	60,826	-	-	78,233
Total	974,587	972,705	173,380	82,039	-	-	2,202,711
Net liquidity gap	(804,946)	82,002	645,623	252,739	5,960	43,945	225,323

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS							
	At call	Within 1 Year	Over 1 Year but within 5 Years	2022 Over 5 Years	No maturity	Non- Performing Loans	Total
Financial Assets							
Cash	27,558	-	-	-	-	-	27,558
Interbank and money market items, net	80,875	366,519	3,780	530	76	-	451,780
Financial assets measured at FVTPL	-	-	-	-	-	-	-
Derivatives assets	-	14,423	10,381	6,407	-	-	31,211
Investments, net	-	43,946	89,881	890	7,338	-	142,055
Loans to customers	61,449	557,249	742,987	334,430	-	43,750	1,739,865
Total	169,882	982,137	847,029	342,257	7,414	43,750	2,392,469
Financial Liabilities							
Deposits	1,089,208	590,924	102,054	-	-	-	1,782,186
Interbank and money market items	31,300	206,220	34,664	521	-	-	272,705
Liability payable on demand	4,223	-	-	-	-	-	4,223
Derivatives liabilities	-	22,814	8,359	7,550	-	-	38,723
Debt issued and borrowings	-	4,122	2,419	60,826	-	-	67,367
Total	1,124,731	824,080	147,496	68,897	-	-	2,165,204
Net liquidity gap	(954,849)	158,057	699,533	273,360	7,414	43,750	227,265

4) Maintenance of Liquidity Coverage Ratio (LCR)

To comply with BOT Notification SorNorSor. 2/2561 regarding Liquidity Coverage Ratio Disclosure Standards dated January 25, 2018, the Bank has provided on its website essential information on LCR to shareholders and investors for assessing the liquidity risk of the Bank and encouraging market discipline with details as follows:

Information as at	December 31, 2023
Date of disclosure	Within 4 months after the period end date as indicated in the BOT's notification (within April 2024)
Location of disclosure	https://www.krungsri.com/en/investor-relations/financial-information/disclosure/liquidity-coverage-ratio

5.3 Credit risk

Credit risk refers to the possibility of the Bank and its subsidiaries facing a loss caused by a decline or complete loss of asset value (including off-balance assets), resulting from deterioration in a borrower's financial conditions and a subsequent failure to meet financial obligation, or an event of default. Such development could negatively impact both capital and loan loss reserve adequacy.

Credit risk is the single largest risk for the Bank's business; management therefore carefully manages its exposure to credit risk. The Bank's strategy for managing credit risk is developed according to risk appetite of the Bank. To identify clear goals for practitioners, the Bank establishes policies and operational plans for reference in accordance with the Bank's strategy - credit policies, credit risk management policies, and credit rating policies etc. credit risk is managed under the Bank's strategy based on international standards and conforming to the Bank of Thailand's rules and regulations.

The Bank has developed models to support the quantification of the credit risk. These rating and scoring models are in use for all key credit portfolios and form the basis for measuring default risks.

Commercial credit risk management

The commercial credit risk is managed through the Bank's internal credit risk management framework that is enhanced continuously to meet international standards. The internal credit rating are developed and used to assign risk rating for customers at origination or acquisition, are reassessed annually, and are adjusted to changes in credit quality over the life of the exposure through the Bank's credit review process. In assessing the risk rating of a loan or lending-related commitment, the Bank considers factors that could potentially impact customer debt capacity including customer earnings and repayment sources, management's ability and track record, and the industry and location of the customer.

The Bank acknowledges that each customer is different, and thus the source of information used to evaluate debt repayment capacity must be tailored to each type of customer. Such evaluation and rating assignment would be based on financial statements, also accounting for other quantitative and qualitative factors to reflect business capacity and potential for growth.

The credit risk exposure of commercial credit portfolio can be shown as follows:

Credit risk exposure by credit rating as at December 31, 2023 and 2022

Risk rating	Unit: Million Baht					
	CONSOLIDATED FINANCIAL STATEMENTS					
	2023			2022		
	ECL staging			ECL staging		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Investment grade	707,280	1,695	-	677,954	2,384	-
Medium risk	219,143	57,144	221	234,175	53,490	192
High risk	-	62	16,766	-	24	16,727
Gross carrying amount	<u>926,423</u>	<u>58,901</u>	<u>16,987</u>	<u>912,129</u>	<u>55,898</u>	<u>16,919</u>
Expected credit loss	7,864	7,418	9,460	8,343	6,827	9,682

Related collaterals as at December 31, 2023 and 2022

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
Credit-impaired asset	2023			2022		
	GCA	ECL	Collateral value*	GCA	ECL	Collateral value*
Stage 3						
Large corporate	4,610	2,136	2,694	5,085	2,360	2,825
Small & medium enterprise	12,377	7,324	8,132	11,834	7,322	7,024

* Value of collateral allocated to loans and credit obligations.

Consumer credit risk management

Consumer portfolios are managed at the portfolio or homogeneous-pool level. The consumer credit risk management establishes product program criteria and proposal for approval by the Bank's Board of Directors or delegate authorities. For effective risk control and consistency in credit decisions, the Bank and its subsidiaries leverage risk technology and digitalization in the credit decision process. The credit risk assessment model is developed in accordance with the Bank of Thailand's regulations and international standards.

The credit risk exposure of consumer credit portfolio can be shown as follows:

Credit risk exposure by products as at December 31, 2023 and 2022

Unit: Million Baht							
CONSOLIDATED FINANCIAL STATEMENTS							
Portfolio	2023				2022		
	ECL staging				ECL staging		
	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3
Business banking	26,182	9,430	4,953	-	27,672	8,558	5,327
Mortgage	231,782	23,270	14,869	-	246,090	24,655	15,622
Personal	11,184	2,728	1,105	-	8,495	4,911	1,278
Auto business	370,044	63,726	10,858	-	355,028	61,120	9,542
Krungsri consumer	124,098	3,409	5,527	-	120,057	3,484	5,357
Others*	109,428	5,147	11,634	85	73,715	2,816	2,669
Gross carrying amount	<u>872,718</u>	<u>107,710</u>	<u>48,946</u>	<u>85</u>	<u>831,057</u>	<u>105,544</u>	<u>39,795</u>
Expected credit loss	24,566	16,184	23,578	-	30,131	12,582	20,286

* Foreign subsidiaries, Securities, Insurance brokers, etc.

Related collaterals as at December 31, 2023 and 2022

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
Credit-impaired asset	2023			2022		
	GCA	ECL	Collateral value*	GCA	ECL	Collateral value*
Stage 3						
Business banking	4,953	1,910	3,232	5,327	1,988	3,399
Mortgage	14,869	6,105	9,225	15,622	6,341	9,426
Personal	1,105	1,065	-	1,278	1,214	-
Auto business	10,858	6,843	-	9,542	6,102	-
Krungsri consumer	5,527	3,642	-	5,357	3,314	-
Others**	11,634	4,013	20	2,669	1,327	25
POCI						
Others**	85	-	-	-	-	-

* Value of collateral allocated to loans and credit obligations.

** Foreign subsidiaries, Securities, Insurance brokers, etc.

Measuring credit risk

In measuring credit risk of loans and advances at a counterparty level, the Bank considers three components: (i) the “Probability of Default” (PD) by the client or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely future development, from which the Bank derives the “Exposure at Default” (EAD); and (iii) the likely recovery ratio on the defaulted obligations or the “Loss Given Default” (LGD). The models are reviewed regularly to monitor their robustness relative to actual performance and amended as necessary to optimize their effectiveness.

These credit risk measurements are required and served as the foundation to determine expected credit loss (ECL) under TFRS 9.

(i) Probability of Default

The Bank assesses the probability of default of individual counterparties or the collective group of customers that share similar risk characteristic using internal rating tools/scorecard tailored to the various categories of counterparty/portfolio. Such models have been developed internally and combine statistical analysis with risk management judgment. The rating/scoring methods are subject to an annual validation and recalibration so that they reflect the latest projection in the light of all observed defaults.

(ii) Exposure at Default

Exposure at default is based on the amounts expected to be owed at the time of default.

(iii) Loss Given Default

Loss given default represents the Bank and its subsidiaries' expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure. It typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.

Incorporation of forward-looking information

Where applicable, the Bank and its subsidiaries incorporate forward-looking adjustment in credit risk factors in measuring the customer credit risk, considering the impact of multiple probability-weighted future forecast economic scenario. The three macro-economic scenarios are applied to reflect an unbiased probability weighted range of possible future outcomes; namely

- Base scenario: Representing the most-likely condition that continue to prevail, and
- Upper and lower scenario: These scenarios are set in relative to base scenario and provide the outlook of better and worse case economic outlook based on subject matter expert best judgement.

In certain circumstance, where the incorporation of forward-looking information cannot be explicitly reflected through the expected credit loss model or economic scenario, the Bank and its subsidiaries may set aside the additional provision based on the supporting rationale and such treatment shall not contradict with the applicable accounting standard and the Bank of Thailand regulations.

Credit risk management and review

The Bank rigorously monitors and reviews customer and portfolio risk in the following ways:

Reserve adequacy

The adequacy of reserves is reviewed and approved by the Chief Risk Officer and the Chief Financial Officer. Specific reserves are allocated to portfolios as required, with regular stress tests conducted to ensure that reserves are adequate.

Credit risk audit

An independent central unit under the Internal Audit Group of the Bank is responsible for examining and reviewing all credit risk management operations, with scope and plans approved by the Audit Committee with delegation from the Board of Directors.

The audit and review scopes cover overall credit risk management, correctness of risk ratings, compliance with credit covenants, and compliance with the Bank's credit policies, along with relevant Bank of Thailand criteria.

Credit information monitoring and management

The Bank regularly reports credit risk levels to the Board of Directors, relevant committees, and senior management. The Bank's monthly credit portfolio report includes information on portfolio quality and segment trends by facility, ratings, location, industry, and delinquency. In addition, ad hoc reports are occasionally conducted in response to irregular situations that may affect the Bank's credit portfolio.

Stress testing

The Bank and its subsidiaries conduct stress tests based on the Bank's stress test policy for both commercial and consumer portfolios. Stress tests use past historical trends as well as future macroeconomic projections to determine potential losses and their possible impact on the Bank's capital. Regulator-required stress test results are reported to the Capital Management Subcommittee, the Risk Management Committee, the Risk and Compliance Committee, and the Board of Directors. Internal stress test results are conducted periodically and reported to the Capital Management Subcommittee. The Bank has strategies and action plans in place to prevent any adverse effects.

Financial business group management

The Bank's financial business group maintain independent risk organizations headed by senior risk executives. The Bank's Chief Risk Officer supervises financial business group risk management activities. These subsidiary risk management units must comply with the Bank's overall risk management strategy, ensure sufficient capacity with the required risk-related infrastructure, and comply with the Bank's risk appetite objectives and reporting requirements.

Non-performing loan management

Non-performing loans (NPLs) are managed by a dedicated unit of specialists experienced in handling past-due accounts. The unit determines the best approaches to optimize payment from customers so as to improve asset quality, minimize losses and maximize recovery. Such unit also conduct NPL sales based on guidance and approval from the Board of Directors.

5.4 Capital funds

The Bank maintains the internal capital adequacy assessment process in accordance with the supervisory review process of the BOT and monitors on a regular basis to ensure that the current and future capital requirements are aligned with the risk appetite in the Financial Business Group and the Bank.

The Bank maintains its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by the BOT. The Bank is required to calculate its Capital Funds in accordance with Basel III. As at December 31, 2023 and 2022, the Consolidated Supervision and the Bank's total capital funds and capital adequacy ratios can be categorized as follows:

	Unit: Million Baht	
	Basel III	
	Consolidated Supervision	
	2023	2022
Tier 1 capital		
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	73,558
Premium on share capital	52,879	52,879
Legal reserve	7,574	7,574
Cumulative profit after appropriation	228,670	201,924
Other reserves		
Other comprehensive income	9,535	8,749
Other items from owner changes	(6,179)	(6,178)
Deduction items from Common Equity Tier 1 capital	(54,359)	(37,960)
Total Common Equity Tier 1 capital	311,678	300,546
Additional Tier 1 capital		
Non-Controlling interest	2,844	1,689
Total Tier 1 capital	314,522	302,235
Tier 2 capital		
Subordinated debentures	60,826	60,826
General provision	21,009	20,320
Non-Controlling interest	491	358
Total Tier 2 capital	82,326	81,504
Total capital fund	396,848	383,739

Capital adequacy ratio (%)

	BOT regulatory	Basel III	
	Minimum requirement	Consolidated Supervision	
		2023	2022
Total Common Equity Tier 1 capital /			
Total risk weighted assets	8.00	15.97	15.84
Total Tier 1 capital / Total risk weighted assets	9.50	16.12	15.93
Total capital / Total risk weighted assets	12.00	20.34	20.23
Capital after deducting capital add-on arising			
from Single Lending Limit (Million Baht)		396,848	383,739
Total capital after deducting capital add-on /			
Total risk weighted assets		20.34	20.23

Unit: Million Baht			
Basel III			
The Bank			
	2023	2022	
Tier 1 capital			
Common Equity Tier 1 capital			
Issued and paid-up share capital	73,558	73,558	
Premium on share capital	52,879	52,879	
Legal reserve	7,574	7,574	
Cumulative profit after appropriation	116,420	97,815	
Other reserves			
Other comprehensive income	10,695	9,048	
Other items from owner changes	(5,218)	(5,218)	
Deduction items from Common Equity Tier 1 capital	(26,181)	(14,221)	
Total Common Equity Tier 1 capital	229,727	221,435	
Additional Tier 1 capital			
Non-Controlling interest	na.	na.	
Total Tier 1 capital	229,727	221,435	
Tier 2 capital			
Subordinated debentures	60,826	60,826	
General provision	18,562	18,443	
Total Tier 2 capital	79,388	79,269	
Total capital fund	309,115	300,704	

Capital adequacy ratio (%)

	BOT regulatory Minimum requirement	Basel III	
		The Bank 2023	2022
Total Common Equity Tier 1 capital /			
Total risk weighted assets	8.00	13.56	13.23
Total Tier 1 capital / Total risk weighted assets	9.50	13.56	13.23
Total capital / Total risk weighted assets	12.00	18.24	17.97
Capital after deducting capital add-on arising from Single Lending Limit (Million Baht)		309,115	300,704
Total capital after deducting capital add-on /			
Total risk weighted assets		18.24	17.97

Disclosure of capital maintenance information of the Financial Business Group and the Bank under the BOT's Notification regarding the Disclosure of the Capital Requirement of the Financial Business Group and regarding the Disclosure of the Capital Requirement of Commercial Banks with details as follows:

Location of disclosure	www.krungsri.com
Date of disclosure	October 31, 2023
Information as at	June 30, 2023

The disclosure as at December 31, 2023 will be disclosed within April 30, 2024 on the above Bank's website as indicated in the BOT's notification.

6. ESTIMATES AND ASSUMPTIONS

Preparation of financial statements in conformity with Thai Financial Reporting Standards principles require management to make estimates and assumptions under certain circumstances. Such estimates and assumptions affect reported amounts of revenues, expenses, assets and liabilities and require the disclosure of contingent assets and liabilities at the date of the financial statements which may differ from these estimates. The significant areas requiring management to make judgments and estimates that affect reported amounts and disclosures are as follows:

6.1 Fair value

For a business acquisition, the Bank's management estimates the fair value of assets, liabilities and other contingent liabilities of the acquiree's identifiable assets and liabilities at the acquisition date. In addition, any adjustments of the initial provision are finalized within 12 months after the acquisition date.

6.2 Allowance for expected credit loss

Significant increase of credit risk: ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. TFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Bank and its subsidiaries take into account qualitative and quantitative reasonable and supportable forward-looking information.

Establishing groups of assets with similar credit risk characteristics

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Bank and its subsidiaries monitor the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

Models and assumptions used: The Bank and its subsidiaries use various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Determination of life of revolving credit facilities

The Bank and its subsidiaries measure ECL considering the risk of default over the maximum contractual period. However, for financial instruments such as credit cards, revolving credit facilities and overdraft facilities that include both a loan and an undrawn commitment component, the Bank and its subsidiaries' contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank and its subsidiaries' exposure to credit losses to the contractual notice period. For such financial instruments the Group measures ECL over the period that it is exposed to credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period.

Establishing the number and relative weightings of forward-looking scenarios for each type of product and determining the forward-looking information relevant to each scenario.

When measuring ECL the Bank and its subsidiaries use reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. In its measurement of ECL, the external and internal information are used to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data published by governmental bodies and monetary authorities.

The Bank and its subsidiaries use multiple scenarios to model the non-linear impact of assumptions about macroeconomic factors on ECL. The Bank and its subsidiaries apply probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome. The Bank and its subsidiaries have identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. In addition to the base case scenario, the Group uses the probability weighting, which is the base scenario which has the highest weighting, since it is the most likely outcome and the weighting of the upside and downside scenarios depend on the probability of the scenario.

Probability of default: PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Loss Given Default: LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Fair value measurement and valuation process: In estimating the fair value of a financial asset or a liability, the Bank and its subsidiaries use market-observable data to the extent it is available. Where such Level 1 inputs are not available, the Bank and its subsidiaries use valuation models to determine the fair value of its financial instruments. Refer to Note 7.22 for more details on fair value measurement.

6.3 Allowance for properties for sale

The Bank and its subsidiaries estimate the allowance for impairment of properties for sale when there is a decline in net realizable value. In consideration of net realizable value, the Bank and its subsidiaries consider the appraised value together with other factors which can affect the realizable value such as related selling expenses, holding costs and discounted future expenses.

6.4 Goodwill

Goodwill is tested for impairment using a fair value method of discounted cash flows on a semi-annual basis.

6.5 Impairment of non-financial assets

The carrying amounts of the Bank and its subsidiaries' assets are reviewed at each financial statements date to determine whether there are any indications of impairment. If any such indication exists, the assets' recoverable amounts are estimated by discounting expected cash flows.

6.6 Provisions

Provisions are recognized as liabilities in the statement of financial position when it is probable that an obligation has been incurred as a result of a past event, and result in the certain likelihood of an outflow of economic benefits to settle the obligation and the amount of such obligation can be reasonably estimated.

6.7 Provision for contingent liabilities

The Bank and its subsidiaries provide a provision for contingent liabilities for loan commitment and financial guarantee according to TFRS 9 applying the same methodology as determining allowance for expected credit losses for financial assets of the same debtor.

6.8 Significant judgement on classification of joint arrangement

Lotus's Money Services Limited is a company that Ayudhya Capital Services Company Limited (a subsidiary of the Bank) holds 50% of ordinary shares. The decision relating to operation is subject to the approval of the joint venture. The Bank and its subsidiaries classified the investment as a joint venture under TFRS 11 which is accounted for using the equity method accordingly. For Lotus's Life Assurance Broker Limited and Lotus's General Insurance Broker Limited, they are companies that Lotus's Money Services Limited wholly holds 100% of ordinary shares. Accordingly, Lotus's Life Assurance Broker Limited and Lotus's General Insurance Broker Limited are classified as joint ventures of the Bank and its subsidiaries.

The Bank holds 50% of ordinary shares of SB Finance, Inc. The decision relating to operation is subject to the approval of the joint venture. The Bank classified the investment as a joint venture under TFRS 11 which is accounted for using the equity method accordingly.

7. ADDITIONAL INFORMATION

7.1 Additional information of cash flows

7.1.1 Non-cash transactions for the years ended December 31, 2023 and 2022 are as follows:

	CONSOLIDATED		Unit: Million Baht THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Decrease in revaluation surplus on investments	(856)	(2,494)	(856)	(2,055)
Amortization of premises appraisal surplus transferred to retained earning	(281)	(226)	(281)	(226)
Increase in changes assets revaluation surplus	2,756	-	2,756	-
Properties for sale debt repayment	20,249	18,107	18,634	16,556
Properties and premises transferred to be properties for sale	162	88	162	88

7.1.2 Changes in liabilities arising from financing activities for the years ended December 31, 2023 and 2022 are as follows:

	CONSOLIDATED		Unit: Million Baht THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Beginning balance	100,206	121,779	69,543	93,007
Balance of subsidiary as at acquisition date	4,020	-	-	-
Financing cash flows	878	(21,664)	9,803	(24,109)
Addition in the year	2,685	877	2,022	615
Other non-cash items	(110)	(786)	(90)	30
Ending balance	<u>107,679</u>	<u>100,206</u>	<u>81,278</u>	<u>69,543</u>

7.1.3 Realized and unrealized gains (losses) on foreign exchange

In the preparation of cash flows statements, realized gains (losses) on foreign exchange are based on a cash basis. Unrealized gains (losses) on foreign exchange are based on the translation difference of assets and liabilities in foreign currencies as described in the accounting policies. It is presented as an adjustment to reconcile income before tax to cash received (paid) from operating activities.

7.2 Classification of financial assets and financial liabilities

Classification of financial assets and financial liabilities as at December 31, 2023 and 2022 consist of the following:

CONSOLIDATED FINANCIAL STATEMENTS						Unit: Million Baht
2023						
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investment in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortized cost	Accrual basis for derivatives assets and liabilities	Total
Financial assets						
Cash	-	-	-	28,170	-	28,170
Interbank and money market items, net	-	-	-	507,974	-	507,974
Financial assets measured at fair value through profit or loss	1,740	-	-	-	-	1,740
Derivatives assets	28,884	-	-	-	172	29,056
Investments, net	-	119,966	7,700	2,873	-	130,539
Loans to customers and accrued interest receivables, net	-	17,245	-	1,925,455	-	1,942,700
Others	1	274	-	1,836	-	2,111
Total	<u>30,625</u>	<u>137,485</u>	<u>7,700</u>	<u>2,466,308</u>	<u>172</u>	<u>2,642,290</u>
Financial liabilities						
Deposits	-	-	-	1,839,601	-	1,839,601
Interbank and money market items	-	-	-	323,996	-	323,996
Liability payable on demand	-	-	-	4,387	-	4,387
Derivatives liabilities	28,898	-	-	-	3,941	32,839
Debt issued and borrowings	-	-	-	104,217	-	104,217
Provisions	-	-	-	1,801	-	1,801
Others	-	-	-	7,206	-	7,206
Total	<u>28,898</u>	<u>-</u>	<u>-</u>	<u>2,281,208</u>	<u>3,941</u>	<u>2,314,047</u>

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

2022

	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investment in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortized cost	Accrual basis for derivatives assets and derivatives liabilities	Total
Financial assets						
Cash	-	-	-	29,810	-	29,810
Interbank and money market items, net	-	-	-	460,920	-	460,920
Financial assets measured at fair value through profit or loss	998	-	-	-	-	998
Derivatives assets	30,027	-	-	-	-	30,027
Investments, net	-	135,224	9,425	518	-	145,167
Loans to customers and accrued interest receivables, net	-	-	-	1,873,491	-	1,873,491
Others	-	218	-	2,177	-	2,395
Total	<u>31,025</u>	<u>135,442</u>	<u>9,425</u>	<u>2,366,916</u>	<u>-</u>	<u>2,542,808</u>
Financial liabilities						
Deposits	-	-	-	1,804,692	-	1,804,692
Interbank and money market items	-	-	-	289,977	-	289,977
Liability payable on demand	-	-	-	4,226	-	4,226
Derivatives liabilities	32,152	-	-	-	5,188	37,340
Debt issued and borrowings	-	-	-	98,199	-	98,199
Provisions	-	-	-	1,811	-	1,811
Others	-	-	-	3,870	-	3,870
Total	<u>32,152</u>	<u>-</u>	<u>-</u>	<u>2,202,775</u>	<u>5,188</u>	<u>2,240,115</u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

2023

	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investment in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortized cost	Accrual basis for derivatives assets and derivatives liabilities	Total
Financial assets						
Cash	-	-	-	25,128	-	25,128
Interbank and money market items, net	-	-	-	489,173	-	489,173
Financial assets measured at fair value through profit or loss	623	-	-	-	-	623
Derivatives assets	29,174	-	-	-	84	29,258
Investments, net	-	119,605	5,748	-	-	125,353
Loans to customers and accrued interest receivables, net	-	-	-	1,701,805	-	1,701,805
Others	-	275	-	1,323	-	1,598
Total	<u>29,797</u>	<u>119,880</u>	<u>5,748</u>	<u>2,217,429</u>	<u>84</u>	<u>2,372,938</u>
Financial liabilities						
Deposits	-	-	-	1,815,719	-	1,815,719
Interbank and money market items	-	-	-	271,280	-	271,280
Liability payable on demand	-	-	-	4,382	-	4,382
Derivatives liabilities	29,430	-	-	-	3,667	33,097
Debt issued and borrowings	-	-	-	78,233	-	78,233
Provisions	-	-	-	1,437	-	1,437
Others	-	-	-	5,504	-	5,504
Total	<u>29,430</u>	<u>-</u>	<u>-</u>	<u>2,176,555</u>	<u>3,667</u>	<u>2,209,652</u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

2022

	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investment in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortized cost	Accrual basis for derivatives assets and derivatives liabilities	Total
Financial assets						
Cash	-	-	-	27,558	-	27,558
Interbank and money market items, net	-	-	-	451,780	-	451,780
Financial assets measured at fair value through profit or loss	-	-	-	-	-	-
Derivatives assets	31,211	-	-	-	-	31,211
Investments, net	-	134,717	7,338	-	-	142,055
Loans to customers and accrued interest receivables, net	-	-	-	1,680,008	-	1,680,008
Others	-	218	-	1,523	-	1,741
Total	<u>31,211</u>	<u>134,935</u>	<u>7,338</u>	<u>2,160,869</u>	<u>-</u>	<u>2,334,353</u>
Financial liabilities						
Deposits	-	-	-	1,782,186	-	1,782,186
Interbank and money market items	-	-	-	272,705	-	272,705
Liability payable on demand	-	-	-	4,223	-	4,223
Derivatives liabilities	33,535	-	-	-	5,188	38,723
Debt issued and borrowings	-	-	-	67,367	-	67,367
Provisions	-	-	-	1,467	-	1,467
Others	-	-	-	2,724	-	2,724
Total	<u>33,535</u>	<u>-</u>	<u>-</u>	<u>2,130,672</u>	<u>5,188</u>	<u>2,169,395</u>

7.3 Interbank and money market items, net (Asset)

Interbank and money market items, net (Asset) as at December 31, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Domestic items				
Bank of Thailand and Financial				
Institution Development Fund	317,783	317,209	317,783	317,209
Commercial banks	39,600	18,030	35,978	16,272
Specialized financial institutions	25,880	18,071	25,880	18,071
Other financial institutions	38,816	27,736	41,405	28,232
Total	422,079	381,046	421,046	379,784
<u>Add</u> Accrued and undue interest receivables	265	98	288	98
<u>Less</u> Allowance for expected credit loss	(793)	(543)	(793)	(543)
Total domestic items	421,551	380,601	420,541	379,339
Foreign items				
US Dollar	33,046	46,915	20,078	40,422
Yen	43,422	23,529	43,422	23,529
Euro	914	5,622	775	5,622
Other currencies	9,126	4,278	4,439	2,884
Total	86,508	80,344	68,714	72,457
<u>Add</u> Accrued and undue interest receivables	11	6	4	20
<u>Less</u> Allowance for expected credit loss	(96)	(31)	(86)	(36)
Total foreign items	86,423	80,319	68,632	72,441
Total domestic and foreign items	507,974	460,920	489,173	451,780

7.4 Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss as at December 31, 2023 and 2022 consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023 Fair Value	2022 Fair Value	2023 Fair Value	2022 Fair Value
Trading financial assets				
Government and state enterprise securities	623	-	623	-
Domestic marketable equity securities	517	353	-	-
Total	1,140	353	623	-
Financial assets - other				
Investments				
- Debts investments	63	69	-	-
- Equity investments	537	576	-	-
Total	1,740	998	623	-

As at December 31, 2023 and 2022, financial assets measured at fair value through profit or loss includes investment in fund primarily investing in Private Equity Trust held by a venture capital subsidiary of Baht 537 million and Baht 576 million, respectively, with unit holding of 18.57% and 32.05%, respectively. The subsidiary also manages these investments on a fair value basis.

7.5 Derivatives

7.5.1 Derivatives - Trading

Fair value and the notional amount classified by type of risk as at December 31, 2023 and 2022 are as follows:

Risk type	Unit: Million Baht					
	CONSOLIDATED FINANCIAL STATEMENTS					
	2023			2022		
	Fair value		Notional	Fair value		Notional
	Assets	Liabilities	Amount	Assets	Liabilities	Amount
Exchange rate	19,327	19,583	1,187,795	18,409	21,698	1,003,300
Interest rate	8,252	7,186	650,033	9,802	8,191	601,985
Equity derivatives	25	1	559	7	9	354
Total	27,604	26,770	1,838,387	28,218	29,898	1,605,639

Risk type	Unit: Million Baht					
	THE BANK'S FINANCIAL STATEMENTS					
	2023			2022		
	Fair value		Notional	Fair value		Notional
	Assets	Liabilities	Amount	Assets	Liabilities	Amount
Exchange rate	19,439	19,755	1,190,688	19,149	22,466	1,004,558
Interest rate	8,603	7,652	671,833	10,480	8,814	621,305
Total	28,042	27,407	1,862,521	29,629	31,280	1,625,863

7.5.2 Derivatives - Hedging

7.5.2.1 Fair value hedge

Fair value and the notional amount classified by type of risk as at December 31, 2023 are as follows:

Risk type	Unit: Million Baht		
	CONSOLIDATED		
	FINANCIAL STATEMENTS		
	2023		
	Fair value		Notional
	Assets	Liabilities	Amount
Exchange rate	-	100	4,295
Total	-	100	4,295

The amounts relating to items designated as hedged items in qualifying fair value hedge relationships to manage the exposure of the Bank and its subsidiaries to foreign currency risk for the year ended December 31, 2023 are as follows:

Fair value hedge	Unit: Million Baht				
	CONSOLIDATED FINANCIAL STATEMENTS				
	2023				
	Line item in the statement of financial position including the hedged item	Carrying amount of hedged item	Changes in fair value used for calculating hedge ineffectiveness	Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item	Cash flow hedge reserve
Foreign exchange risk					
- Loan payable	Interbank and money market items (Liabilities)	4,265	-	100	-

The following table shows a reconciliation of the separate components of equity that relate to fair value hedge relationships for the year ended December 31, 2023.

	Unit: Million Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2023	
Balance as at January 1, 2023	-	
Changes in fair value of hedging instrument	2	
Amortization/transfer to profit or loss	11	
Income tax related to amount amortized /transferred	(3)	
Balance as at December 31, 2023	10	

7.5.2.2 Cash flow hedge

Fair value and the notional amount classified by type of risk as at December 31, 2023 and 2022 are as follows:

Unit: Million Baht

Risk type	CONSOLIDATED FINANCIAL STATEMENTS					
	2023			2022		
	Fair value		Notional	Fair value		Notional
	Assets	Liabilities	Amount	Assets	Liabilities	Amount
Exchange rate	1,132	2,026	27,484	1,582	2,254	53,388
Interest rate	148	2	5,133	227	-	3,802
Total	<u>1,280</u>	<u>2,028</u>	<u>32,617</u>	<u>1,809</u>	<u>2,254</u>	<u>57,190</u>

Unit: Million Baht

Risk type	THE BANK'S FINANCIAL STATEMENTS					
	2023			2022		
	Fair value		Notional	Fair value		Notional
	Assets	Liabilities	Amount	Assets	Liabilities	Amount
Exchange rate	1,132	2,023	27,039	1,582	2,255	53,388
Total	<u>1,132</u>	<u>2,023</u>	<u>27,039</u>	<u>1,582</u>	<u>2,255</u>	<u>53,388</u>

The tables below summarize the derivatives designated as hedging instruments in qualifying cash flow hedge relationships as at December 31, 2023 and 2022.

Unit: Million Baht

Cash flow hedges	CONSOLIDATED FINANCIAL STATEMENTS					
	December 31, 2023			For the year ended December 31, 2023		
	Notional amount of the hedging instrument	Carrying amount of the hedging instrument	Line items in the statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognized in profit or loss	Line item in profit or loss that include hedge ineffectiveness
Foreign exchange risk	5,046	1,796	Derivative liabilities	(163)	2	Gain (loss) on financial instrument measured at FVTPL
- Cross currency interest rate swap						
Foreign exchange and Interest rate risk	21,218	1,133	Derivative assets	(235)	1	Gain (loss) on financial instrument measured at FVTPL
- Cross currency interest rate swap		229	Derivative liabilities			
Foreign exchange risk	-	-	-	294	-	Gain (loss) on financial instrument measured at FVTPL
- Firm commitment						
Interest rate risk	2,567	147	Derivative assets	82	(1)	Gain (loss) on financial instrument measured at FVTPL
- Interest rate swap		2	Derivative liabilities			

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

Cash flow hedges	December 31, 2022			For the year ended December 31, 2022		
	Notional amount of the hedging instrument	Carrying amount of the hedging instrument	Line items in the statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognized in profit or loss	Line item in profit or loss that include hedge ineffectiveness
Foreign exchange risk - Cross currency interest rate swap	4,953	1,627	Derivative liabilities	(515)	1	Gain (loss) on financial instrument measured at FVTPL
Foreign exchange and Interest rate risk - Cross currency interest rate swap	7,604	1,249	Derivative assets	240	76	Gain (loss) on financial instrument measured at FVTPL
Foreign exchange risk - Firm commitment	22,707	294	Derivative liabilities	-	-	Gain (loss) on financial instrument measured at FVTPL
Interest rate risk - Interest rate swap	3,802	227	Derivative assets	(228)	(4)	Gain (loss) on financial instrument measured at FVTPL

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

Cash flow hedges	December 31, 2023			For the year ended December 31, 2023		
	Notional amount of the hedging instrument	Carrying amount of the hedging instrument	Line items in the statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognized in profit or loss	Line item in profit or loss that include hedge ineffectiveness
Foreign exchange risk	4,600	1,793	Derivative liabilities	(166)	2	Gain (loss) on financial instrument measured at FVTPL
- Cross currency interest rate swap						
Foreign exchange and Interest rate risk	21,218	1,133	Derivative assets	(235)	1	Gain (loss) on financial instrument measured at FVTPL
- Cross currency interest rate swap		229	Derivative liabilities			
Foreign exchange risk	-	-	-	294	-	Gain (loss) on financial instrument measured at FVTPL
- Firm commitment						

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

Cash flow hedges	December 31, 2022			For the year ended December 31, 2022		
	Notional amount of the hedging instrument	Carrying amount of the hedging instrument	Line items in the statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognized in profit or loss	Line item in profit or loss that include hedge ineffectiveness
Foreign exchange risk	4,953	1,627	Derivative liabilities	(515)	1	Gain (loss) on financial instrument measured at FVTPL
- Cross currency interest rate swap						
Foreign exchange and Interest rate risk	7,604	1,249	Derivative assets	240	76	Gain (loss) on financial instrument measured at FVTPL
- Cross currency interest rate swap						
Foreign exchange risk	22,707	294	Derivative liabilities	-	-	Gain (loss) on financial instrument measured at FVTPL
- Firm commitment						

The amounts relating to items designated as hedged items in qualifying cash flow hedge relationships to manage the exposure of the Bank and its subsidiaries to interest rate and foreign currency risk for the years ended December 31, 2023 and 2022 are as follows:

Unit: Million Baht					
CONSOLIDATED FINANCIAL STATEMENTS					
2023					
Cash flow hedges	Line item in the statement of financial position including the hedged item	Carrying amount of hedged items	Changes in fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
Foreign exchange risk					
- Aggregated exposure of Borrowings and Foreign exchange swaps	Interbank and money market items (Liabilities)	4,600	(163)	166	(322)
Foreign exchange and Interest rate risk					
- Debt issued and borrowings	Interbank and money market items (Liabilities) / Debt issued and borrowings	21,218	(225)	(422)	94
Foreign exchange risk					
- Firm commitment	Contingencies	-	294	444	(15)
Interest rate swap					
- Debt issued and borrowings	Interbank and money market items (Liabilities)	2,567	-	(82)	-
Foreign exchange risk					
- Debt issued and borrowings	Interbank and money market items (Liabilities)	446	-	(3)	-

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

2022

Cash flow hedges	Line item in the statement of financial position including the hedged item	Carrying amount of hedged items	Changes in fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
Foreign exchange risk					
- Aggregated exposure of Borrowings and Foreign exchange swaps	Interbank and money market items (Liabilities)	4,953	(516)	(890)	385
Foreign exchange and Interest rate risk					
- Debt issued and borrowings	Interbank and money market items (Liabilities) / Debt issued and borrowings	7,604	311	298	26
Foreign exchange risk					
- Firm commitment	Contingencies	22,707	-	(444)	15
Interest rate swap					
- Debt issued and borrowings	Interbank and money market items (Liabilities)	3,802	-	224	-

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

2023

Cash flow hedges	Line item in the statement of financial position including the hedged item	Carrying amount of hedged items	Changes in fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
Foreign exchange risk					
- Aggregated exposure of Borrowings and Foreign exchange swaps	Interbank and money market items (Liabilities)	4,600	(163)	166	(322)
Foreign exchange and Interest rate risk					
- Debt issued and borrowings	Interbank and money market items (Liabilities) / Debt issued and borrowings	21,218	(225)	(422)	94
Foreign exchange risk					
- Firm commitment	Contingencies	-	294	444	(15)

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

2022

Cash flow hedges	Line item in the statement of financial position including the hedged item	Carrying amount of hedged items	Changes in fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
Foreign exchange risk					
- Aggregated exposure of Borrowings and Foreign exchange swaps	Interbank and money market items (Liabilities)	4,953	(516)	(890)	385
Foreign exchange and Interest rate risk					
- Debt issued and borrowings	Interbank and money market items (Liabilities) / Debt issued and borrowings	7,604	311	298	26
Foreign exchange risk					
- Firm commitment	Contingencies	22,707	-	(444)	15

The table below summarizes the amounts that have affected the statement of comprehensive income as a result of applying cash flow hedge accounting for the years ended December 31, 2023 and 2022.

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

2023

Cash flow hedges	Change in the value of the hedging instrument recognized in cash flow hedge reserve	Change in the value of the hedging instrument recognized in cost of hedging reserve	Hedge ineffectiveness recognized in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Cost of hedging amortized to profit or loss	Line items affected in profit or loss because of the reclassification
Foreign exchange risk	610	(346)	2	(365)	9	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense
Foreign exchange risk / Cross currency interest rate swap	(425)	82	1	(159)	12	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense
Interest rate swap	(82)	-	(1)	19	-	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

2022

Cash flow hedges	Change in the value of the hedging instrument recognized in cash flow hedge reserve	Change in the value of the hedging instrument recognized in cost of hedging reserve	Hedge ineffectiveness recognized in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Cost of hedging amortized to profit or loss	Line items affected in profit or loss because of the reclassification
Foreign exchange risk	(890)	377	1	(571)	8	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense
Foreign exchange risk / Cross currency interest rate swap	(146)	33	76	58	8	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense
Interest rate swap	224	-	(4)	35	-	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

2023

Cash flow hedges	Change in the value of the hedging instrument recognized in cash flow hedge reserve	Change in the value of the hedging instrument recognized in cost of hedging reserve	Hedge ineffectiveness recognized in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Cost of hedging amortized to profit or loss	Line items affected in profit or loss because of the reclassification
Foreign exchange risk	610	(346)	2	(365)	9	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense
Foreign exchange risk / Cross currency interest rate swap	(422)	82	1	(157)	12	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

2022

Cash flow hedges	Change in the value of the hedging instrument recognized in cash flow hedge reserve	Change in the value of the hedging instrument recognized in cost of hedging reserve	Hedge ineffectiveness recognized in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Cost of hedging amortized to profit or loss	Line items affected in profit or loss because of the reclassification
Foreign exchange risk	(890)	377	1	(571)	8	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense
Foreign exchange risk / Cross currency interest rate swap	(146)	33	76	58	8	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense

The following table shows a reconciliation of the separate components of equity that relate to cash flow hedge relationships for the years ended December 31, 2023 and 2022.

	Unit: Million Baht
	CONSOLIDATED
	FINANCIAL STATEMENTS
	Cash flow hedge reserve
Balance as at January 1, 2023	95
Effective portion of changes in fair value of cross	
currency interest rate swaps	(103)
Cost of hedging reserve	243
Amount recycled from reserves to profit or loss	(505)
Income tax related to amount transferred	43
Balance as at December 31, 2023	(227)

	Unit: Million Baht
	CONSOLIDATED
	FINANCIAL STATEMENTS
	Cash flow hedge reserve
Balance as at January 1, 2022	73
Effective portion of changes in fair value of cross	
currency interest rate swaps	812
Cost of hedging reserve	(426)
Amount recycled from reserves to profit or loss	(478)
Income tax related to amount transferred	114
Balance as at December 31, 2022	95

	Unit: Million Baht
	THE BANK'S
	FINANCIAL STATEMENTS
	Cash flow hedge reserve
Balance as at January 1, 2023	166
Effective portion of changes in fair value of cross	
currency interest rate swaps	(188)
Cost of hedging reserve	243
Amount recycled from reserves to profit or loss	(522)
Income tax related to amount transferred	93
Balance as at December 31, 2023	(208)

	Unit: Million Baht
	THE BANK'S
	FINANCIAL STATEMENTS
	Cash flow hedge reserve
Balance as at January 1, 2022	88
Effective portion of changes in fair value of cross	
currency interest rate swaps	1,036
Cost of hedging reserve	(426)
Amount recycled from reserves to profit or loss	(513)
Income tax related to amount transferred	(19)
Balance as at December 31, 2022	166

7.5.2.3 Dynamic risk hedge

Readjustment based on an accrual basis and the notional amount classified by type of risk as at December 31, 2023 and 2022 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
Risk type	2023			2022		
	Readjustment based on an accrual basis		Notional Amount	Readjustment based on an accrual basis		Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	143	3,721	172,001	-	5,188	148,177
Interest rate	29	220	8,967	-	-	-
Total	172	3,941	180,968	-	5,188	148,177

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS						
Risk type	2023			2022		
	Readjustment based on an accrual basis		Notional Amount	Readjustment based on an accrual basis		Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	84	3,667	169,948	-	5,188	148,177
Total	84	3,667	169,948	-	5,188	148,177

7.6 Investments, net

Investments, net as at December 31, 2023 and 2022 consist of the following:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS				
	2023		2022	
	Amortized Cost / Fair Value	Dividend Income	Amortized Cost / Fair Value	Dividend Income
Investment in debt securities measured at amortized cost				
Government and state enterprise securities	2,221	-	-	-
Private enterprise debt securities	513	-	518	-
Others	140	-	-	-
Less Allowance for expected credit loss	(1)	-	-	-
Total	2,873	-	518	-
Investment in debt securities measured at fair value through other comprehensive income				
Government and state enterprise securities	101,092	-	118,585	-
Private enterprise debt securities	18,874	-	16,639	-
Total	119,966	-	135,224	-
Investment in equity securities designated at fair value through other comprehensive income				
Domestic marketable equity securities	5,313	300	6,941	351
Domestic non-marketable equity securities	1,135	77	1,075	52
Foreign marketable equity securities	483	-	467	-
Foreign non-marketable equity securities	769	6	942	1
Total	7,700	383	9,425	404
Total investments, net	130,539	383	145,167	404

Unit: Million Baht				
THE BANK'S FINANCIAL STATEMENTS				
2023				
2022				
	Amortized Cost / Fair Value	Dividend Income	Amortized Cost / Fair Value	Dividend Income
Investment in debt securities measured at fair value through other comprehensive income				
Government and state enterprise securities	101,092		118,585	
Private enterprise debt securities	18,513		16,132	
Total	119,605		134,717	
Investment in equity securities designated at fair value through other comprehensive income				
Domestic marketable equity securities	5,313	300	6,941	351
Domestic non-marketable equity securities	432	76	395	52
Foreign non-marketable equity securities	3	-	2	-
Total	5,748	376	7,338	403
Total investments, net	125,353		142,055	

Unit: Million Baht								
CONSOLIDATED FINANCIAL STATEMENTS								
For the year ended December 31, 2023					For the year ended December 31, 2022			
Investment in equity securities derecognition	Fair value as at derecog- nition	Dividend Income	Gain (loss) from derecog- nition	Reason for derecog- nition	Fair value as at derecog- nition	Dividend Income	Gain (loss) from derecog- nition	Reason for derecog- nition
Investment in equity securities designated at fair value through other comprehensive income								
Domestic marketable equity securities	1,244	24	(527)	Sale	1,412	41	(474)	Sale
Domestic non-marketable equity securities	25	7	24	Sale	-	-	-	-
Total	1,269	31	(503)		1,412	41	(474)	

Unit: Million Baht								
THE BANK'S FINANCIAL STATEMENTS								
For the year ended December 31, 2023					For the year ended December 31, 2022			
Investment in equity securities derecognition	Fair value as at derecog- nition	Dividend Income	Gain (loss) from derecog- nition	Reason for derecog- nition	Fair value as at derecog- nition	Dividend Income	Gain (loss) from derecog- nition	Reason for derecog- nition
Investment in equity securities designated at fair value through other comprehensive income								
Domestic marketable equity securities	1,244	24	(527)	Sale	1,179	41	(626)	Sale
Domestic non-marketable equity securities	25	7	24	Sale	-	-	-	-
Total	1,269	31	(503)		1,179	41	(626)	

As at December 31, 2023 and 2022, investments in unit trust of fixed income funds in the consolidated financial statements of Baht 360 million and Baht 507 million, respectively, were recorded as investment designated at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss according to BOT's Notification Sor.Nor.Sor. 6/2563 regarding holding or having the investment in unit trust of fixed income funds to enhance the liquidity of the money market dated March 25, 2020.

7.7 Investments in subsidiaries, associate and joint ventures, net

Investments in subsidiaries, associate and joint ventures, net as at December 31, 2023 and 2022 consist of the following:

Unit: Million Baht							
CONSOLIDATED FINANCIAL STATEMENTS							
2023							
Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost Method)	Investment (Equity Method)	Dividend Income
Associate							
Ngern Tid Lor Public Company Limited	Loan and hire-purchase for all types of vehicles, non-life insurance broker and life insurance broker directly	Common stock	10,395	30.00	2,520	11,006	219 ⁽³⁾
Joint ventures							
SB Finance, Inc.	Personal loans	Common stock	2,592	50.00	1,923	2,072	-
Lotus's Money Services Limited ⁽¹⁾	Credit cards and personal loans	Common stock	2,080	50.00	1,040	4,467	-
Lotus's Life Assurance Broker Limited ⁽²⁾	Life assurance broker	Common stock	12	50.00	-	135	-
Lotus's General Insurance Broker Limited ⁽²⁾	General insurance broker	Common stock	107	50.00	-	241	-
Investments in associate and joint ventures, net					<u>5,483</u>	<u>17,921</u>	<u>219</u>

Unit: Million Baht							
CONSOLIDATED FINANCIAL STATEMENTS							
2022							
Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost Method)	Investment (Equity Method)	Dividend Income
Associate							
Ngern Tid Lor Public Company Limited	Loan and hire-purchase for all types of vehicles, non-life insurance broker and life insurance broker directly	Common stock	9,240	30.00	2,520	10,106	191 ⁽³⁾
Joint ventures							
SB Finance, Inc.	Personal loans	Common stock	2,592	50.00	1,923	1,988	-
Lotus's Money Services Limited ⁽¹⁾	Credit cards and personal loans	Common stock	2,080	50.00	1,040	4,122	-
Lotus's Life Assurance Broker Limited ⁽²⁾	Life assurance broker	Common stock	12	50.00	-	120	-
Lotus's General Insurance Broker Limited ⁽²⁾	General insurance broker	Common stock	107	50.00	-	244	-
Investments in associate and joint ventures, net					<u>5,483</u>	<u>16,580</u>	<u>191</u>

⁽¹⁾ Indirect holding via Ayudhya Capital Services Company Limited

⁽²⁾ Indirect holding via Lotus's Money Services Limited

⁽³⁾ In 2023, the Bank received dividend income at the amount of Baht 219 million and stock dividend at the amount of 93.7 million shares from Ngern Tid Lor Public Company Limited.

In 2022, the Bank received dividend income at the amount of Baht 191 million and stock dividend at the amount of 53.5 million shares from Ngern Tid Lor Public Company Limited.

Unit: Million Baht
THE BANK'S FINANCIAL STATEMENTS
2023

Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost Method)	Dividend Income
Subsidiaries						
Ayudhya Development Leasing Company Limited	Hire-purchase and leasing	Common stock	1,235	99.99	3,929	-
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	25,545	100.00	19,880	1,532
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	5,925	100.00	11,941	-
General Card Services Limited	Credit cards and personal loans	Common stock	3,458	100.00	3,581	1,000
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	5,906	100.00	6,275	-
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Common stock	100	100.00	100	-
Total Services Solutions Public Company Limited	Collection services	Common stock	401	100.00	1,614	-
Krungsri Asset Management Company Limited	Fund management	Common stock	350	86.86	1,622	365
Krungsri Ayudhya AMC Limited	Asset management	Common stock	2,700	100.00	4,565	-
Krungsri Securities Public Company Limited	Securities	Common stock	1,350	99.84	1,497	-
Krungsri Capital Securities Public Company Limited	Securities	Common stock	2,150	99.35	5,436	173
Krungsri Nimble Company Limited	Factoring and information technology services	Common stock	300	100.00	300	-
Krungsri Finnovate Company Limited	Venture capital	Common stock	2,500	100.00	2,500	-
Hattha Bank Plc.	Commercial Bank	Common stock	4,535	100.00	9,712	-
SHBank Finance Company Limited	Personal loans	Charter Capital	1,471	75.00	1,812	-
HC Consumer Finance Philippines, Inc.	Personal loans and credit cards	Common stock	62		173	-
		Preferred stock	4,508		12,993	-
HCPH Financing 1, Inc.	Asset management	Common stock	25	100.00	97	-
HCPH Insurance Brokerage, Inc.	General insurance broker	Common stock	16	100.00	15	-
PT Home Credit Indonesia ⁽¹⁾	Personal loans	Common stock	216	75.00		
		Preferred stock	1,206			6,668
Total investments in subsidiaries					94,710	3,070
Associate						
Ngern Tid Lor Public Company Limited	Loan and hire-purchase for all types of vehicles, non-life insurance broker and life insurance broker directly	Common stock	10,395	30.00	2,520	219 ⁽²⁾
Joint venture						
SB Finance, Inc.	Personal loans	Common stock	2,592	50.00	1,923	-
Investments in subsidiaries, associate and joint venture					99,153	3,289
Less Allowance for impairment					(8,581)	-
Investments in subsidiaries, associate and joint venture, net					90,572	3,289

⁽¹⁾ The Bank has a proportional ownership and voting right of 75% of the total issued and paid up share capital of PT Home Credit Indonesia and has ownership interest of 88.38%.

⁽²⁾ In 2023, the Bank received dividend income at the amount of Baht 219 million and stock dividend at the amount of 93.7 million shares from Ngern Tid Lor Public Company Limited.

Unit: Million Baht						
THE BANK'S FINANCIAL STATEMENTS						
2022						
Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost Method)	Dividend Income
Subsidiaries						
Ayudhya Development Leasing Company Limited	Hire-purchase and leasing	Common stock	1,235	99.99	3,929	-
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	25,545	100.00	19,880	2,094
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	5,925	100.00	11,941	-
General Card Services Limited	Credit cards and personal loans	Common stock	2,458	100.00	2,581	-
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	5,906	100.00	6,275	-
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Common stock	100	100.00	100	-
Total Services Solutions Public Company Limited	Collection services	Common stock	401	100.00	1,614	-
Krungsri Asset Management Company Limited	Fund management	Common stock	350	86.86	1,622	389
Krungsri Ayudhya AMC Limited	Asset management	Common stock	2,700	100.00	4,565	-
Krungsri Securities Public Company Limited	Securities	Common stock	1,350	99.84	1,497	-
Krungsri Nimble Company Limited	Factoring and information technology services	Common stock	300	100.00	300	-
Krungsri Finnivate Company Limited	Venture capital	Common stock	2,500	100.00	2,500	-
Hattha Bank Plc.	Commercial Bank	Common stock	4,535	100.00	9,712	-
Total investments in subsidiaries					66,516	2,483
Associate						
Ngern Tid Lor Public Company Limited	Loan and hire-purchase for all types of vehicles, non-life insurance broker and life insurance broker directly	Common stock	9,240	30.00	2,520	191 ⁽¹⁾
Joint venture						
SB Finance, Inc.	Personal loans	Common stock	2,592	50.00	1,923	-
Investments in subsidiaries, associate and joint venture					70,959	2,674
<u>Less</u> Allowance for impairment					(7,264)	-
Investments in subsidiaries, associate and joint venture, net					63,695	2,674

⁽¹⁾ In 2022, the Bank received dividend income at the amount of Baht 191 million and stock dividend at the amount of 53.5 million shares from Ngern Tid Lor Public Company Limited.

The summarized financial information of associate and joint ventures

Net profit and total comprehensive income of associate and joint ventures for the years ended December 31, 2023 and 2022 are as follows:

	2023		2022	
	Net profit	Total comprehensive income	Net profit	Total comprehensive income
Associate	3,790	3,749	3,640	3,654
Joint ventures	928	904	970	854

Unit: Million Baht

7.7.1 The acquisition of Krungsri Capital Securities Public Company Limited

On September 1, 2022, the Extraordinary General Meeting of Shareholders No. 1/2022 approved the acquisition of business through the purchase of 100% of all registered and issued shares of Krungsri Capital Securities Public Company Limited (“KCS”) (formerly Capital Nomura Securities Public Company Limited). The transaction will involve two groups of selling shareholders of KCS as follows:

- 1) To purchase 99.1% of shares in KCS from Nomura Asia Investment (Singapore) Pte Ltd. (“NAIS”) (the First Purchase), which is subject to approval of the Bank’s shareholders, the Bank of Thailand, and/or other related regulatory agencies.
- 2) To purchase the remaining 0.9% of shares in KCS after the First Purchase from minority shareholders of KCS.

In December 2022, the BOT approved for the Transaction and SEC approved a change of KCS’s major shareholder. In addition, Japanese Financial Services Agency (“JFSA”) approved this transaction in February 2023.

The acquisition date was on March 7, 2023. The Bank has obtained control over KCS by acquiring 99.1% of all registered and issued shares of KCS at cost amounted to Baht 5,387 million. The acquisition-related costs amounting to Baht 35 million have been recognized as other operating expenses in the consolidated financial statements.

In 2023, the fair value measurement of identifiable assets acquired and liabilities assumed at the acquisition date has been completed. The details are as follows:

Consolidated financial statements

	Unit: Million Baht Fair Value
Assets	
Interbank and money market items, net	1,633
Investments, net	3,454
Loans to customers and accrued interest receivables, net	9,516
Others	2,728
Total assets	17,331
Liabilities	
Interbank and money market items	5,200
Others	6,509
Total liabilities	11,709
Net identifiable assets acquired and the liabilities assumed	5,622
Non-controlling interest	(51)
Gain from a bargain purchase	(184)
Purchase consideration transferred	5,387

On June 20, 2023, the Bank additionally purchased 0.25% shareholding in KCS from minority shareholders at the amount of Baht 14.6 million. As a result, the Bank's shareholding increased to 99.35% of authorized and paid-up share capital of KCS.

7.7.2 The purchase and receipt the transfer of charter capital in SHBank Finance Company Limited (“The First transaction”)

On October 29, 2021, the Extraordinary General Meeting of Shareholders No. 1/2021 approved the acquisition of business through the purchase and receipt the transfer of 100% of charter capital* in SHBank Finance Company Limited (“SHB Finance”). In December 2021, the BOT approved for the Transaction. The SBV granted approval in principle and official approval for the Transaction in December 2022 and April 2023, respectively.

* Since SHB Finance is registered as a limited liability company in Vietnam, which does not have any shares as limited company or public company in Thailand. In this regard, this transaction will be the purchase and receipt the transfer of the charter capital.

The transaction will be divided into 2 phases as follows:

- 1) The purchase and receipt the transfer of the 50% of charter capital in SHB Finance (“The First transaction”), with the consideration of up to approximately VND 1,573.4 billion (or equivalent to Baht 2,272.0 million) which is based on the estimated minimum equity book value of VND 1,168.9 billion (or equivalent to Baht 1,687.8 million) and may decrease if the actual equity book value as of the closing date is less than the estimated equity book value.

- 2) The purchase and receipt the transfer of the 50% of charter capital remaining (“The Second transaction”), which will be entered in the next 3 years after the completion of The First transaction, with the consideration of up to approximately VND 2,016.9 billion (or equivalent to Baht 2,912.4 million) which will depend on the equity book value as of the closing date and may be adjusted with amount of capital injection or capital decrease occurred during period of 3 years from the closing date of The First transaction to the closing date of The Second transaction.

The acquisition date was on May 22, 2023, which the Bank has obtained control and paid for the acquisition of 50% of charter capital of SHB Finance in the amount of Baht 1,756 million according to the Capital Transfer Agreement (“CTA”). The registration for amendment of SHB Finance’s Enterprise Registration Certificate with the Hanoi Department of Planning and Investment was completed and issued on June 9, 2023.

As of December 31, 2023, the price adjustment for the final consideration of SHB Finance is included in Purchase consideration transferred of Baht 1,810 million. The acquisition-related costs amounting to Baht 2 million have been recognized as other operating expenses in the consolidated financial statements.

In 2023, the fair value measurement of identifiable assets acquired and liabilities assumed at the acquisition date has been completed. The details are as follows:

Consolidated financial statements

	Unit: Million Baht
	Fair Value
Assets	
Interbank and money market items, net	364
Investments, net	1,471
Loans to customers and accrued interest receivables, net	5,498
Others	820
Total assets	8,153
Liabilities	
Deposits	1,206
Interbank and money market items	7,505
Others	442
Total liabilities	9,153
Net identifiable assets acquired and the liabilities assumed	(1,000)
Non-controlling interest	500
Goodwill	2,310
Purchase consideration transferred	1,810

7.7.3 The acquisition of consumer finance business of Home Credit in Philippines and Indonesia

On January 17, 2023, the Extraordinary General Meeting of Shareholders No. 1/2023 approved the acquisition of consumer finance business of Home Credit businesses in Philippines and Indonesia with the details as follows:

- 1) Philippines: The purchase of 75% of share capital of HC Consumer Finance Philippines, Inc. and 100% of share capital of HCPH Financing 1, Inc. and HCPH Insurance Brokerage, Inc. from HC Philippines Holding B.V. and Filcommerce Holdings, Inc. with the consideration of approximately EUR 297.6 million or equivalent to Baht 11.1 billion (the “Acquisition of Home Credit Philippines”).
- 2) Indonesia: The purchase of 75% of the share capital of PT Home Credit Indonesia from Home Credit Indonesia B.V. and an individual shareholder with the consideration of approximately EUR 176.4 million or equivalent to Baht 6.6 billion (the “Acquisition of Home Credit Indonesia”). As all shares that the Bank will receive is preferred share, so the Bank will have 75% voting right of total voting right and 88.2110% of dividend payment and liquidation value.

The consideration of the transaction of Home Credit Philippines and Indonesia is approximately EUR 473.9 million or equivalent to Baht 17,700.8 million. The final consideration will be adjusted by the difference between book value at closing of the transaction and book value as of December 31, 2021, according to terms and conditions in the Sale and Purchase Agreements.

Philippines Competition Commission (“PCC”) approved the transaction for Home Credit Philippines on March 21, 2023. Bangko Sentral ng Pilipinas (“BSP”) and Japanese Financial Services Agency (“JFSA”) also acknowledged this transaction in May 2023. In addition, the Bank of Thailand (“BOT”) approved the acquisition of consumer finance business of Home Credit businesses in Philippines and Indonesia in May 2023.

The acquisition date June 1, 2023, the Bank has obtained control over Home Credit Philippines by purchase of 75% of share capital of HC Consumer Finance Philippines, Inc. and 100% of share capital of HCPH Financing 1, Inc. and HCPH Insurance Brokerage, Inc. from HC Philippines Holding B.V. and Filcommerce Holdings, Inc. with the consideration of approximately EUR 297.6 million or equivalent to Baht 11.1 billion.

As of December 31, 2023, the price adjustment for the final consideration of Home Credit Philippines is included in Purchase consideration transferred of Baht 13,198 million. The acquisition-related costs of Home Credit Philippines amounting to Baht 80 million has been recognized as other operating expenses in the consolidated financial statements.

Bank of Thailand (“BOT”), Bank Indonesia (BI) and Financial Services Authority (Otoritas Jasa Keuangan) of Indonesia (“OJK”) approved the acquisition of consumer finance business of Home Credit businesses in Indonesia, and Japanese Financial Services Agency (“JFSA”) and the Supervision of Business Competition of Indonesia (Komisi Pengawas Persaingan Usaha) (“KPPU”) considered and acknowledged the details of this transaction.

The acquisition date is on October 2, 2023. The Bank has obtained control over PT Home Credit Indonesia by purchase of 75% of the share capital of PT Home Credit Indonesia from Home Credit Indonesia B.V. and an individual shareholder at cost amounted to Baht 6,580 million, so the Bank will have 75% voting right of total voting right and 88.38432% of dividend payment and liquidation value. The acquisition-related costs of Home Credit Indonesia amounting to Baht 87 million has been recognized as other operating expenses in the consolidated financial statements.

Provisional fair value of identifiable assets acquired and liabilities assumed at the acquisition date in the consolidated financial statements are as follows:

Consolidated financial statements

Unit: Million Baht

	Provisional Fair Value			Home Credit Indonesia PT Home Credit Indonesia
	Home Credit Philippines HC Consumer Finance Philippines, Inc.	HCPH Financing 1, Inc.	HCPH Insurance Brokerage, Inc.	
Assets				
Interbank and money market items, net	1,427	21	14	710
Loans to customers and accrued interest receivables, net	27,929	31	-	6,409
Intangible assets, net	1,382	-	-	1,435
Others	1,677	44	-	1,558
Total assets	32,415	96	14	10,112
Liabilities				
Interbank and money market items	15,834	-	-	5,450
Borrowing	3,510	-	-	-
Others	4,305	3	-	2,014
Total liabilities	23,649	3	-	7,464
Net identifiable assets acquired and the liabilities assumed	8,766	93	14	2,648
Non-controlling interest	(2,192)	-	-	(308)
Goodwill	6,512	4	1	4,240
Purchase consideration transferred	13,086	97	15	6,580

The Bank is in the process to complete the initial accounting for the acquisition of Home Credit Philippines and Indonesia which is allowed by Thai Financial Reporting Standard No. 3 Business Combinations for a maximum of one year after the acquisition date. As a result, the consolidated financial statements are currently prepared using the provisional amounts for the items which their fair value is in the process of final review. Once the fair value and other related calculation is finalized, such provisional amount including goodwill would be adjusted accordingly.

The summarized financial information of subsidiaries acquired in 2023

The revenue and net profit for the period from the acquisition date to December 31, 2023 of subsidiaries acquired in 2023, are as follows:

Consolidated financial statements

	Unit: Million Baht
	2023
Revenue	15,516
Net profit	467

DISCLOSURE OF THE STATEMENTS OF CASH FLOWS OF ASSET MANAGEMENT COMPANY

KRUNGSRI AYUDHYA AMC LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Unit: Million Baht	
	2023	2022
Cash flows from operating activities		
Profit from operating before income tax	30	37
Adjustments to reconcile income to cash provided (paid) from operating activities		
Depreciation and amortization	6	7
Reversal expected credit loss	(13)	(6)
Gain on sales of properties for sale	(91)	(89)
Loss on impairment of properties for sale	73	46
Reversal loss from impairment of other assets	-	(9)
Employment benefits expenses	3	2
Interest income, net	(67)	(47)
Interest received	57	38
Income tax paid	(3)	(2)
Loss from operations before changes in operating assets and liabilities	(5)	(23)
Decrease in operating assets		
Loan to customer	4	-
Properties for sale	131	156
Other assets	32	28
Decrease in operating liabilities		
Provisions	(3)	(4)
Other liabilities	(4)	(20)
Net cash from operating activities	155	137
Cash flows from investing activities		
Cash paid for purchase of equipment	-	(1)
Net cash from investing activities	-	(1)
Cash flows from financing activities		
Cash paid for repayment of lease liabilities	(6)	(6)
Net cash from financing activities	(6)	(6)
Net increase in cash and cash equivalents	149	130
Cash and cash equivalents as at January 1,	2,834	2,704
Cash and cash equivalents as at December 31,	2,983	2,834

7.8 Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables, net as at December 31, 2023 and 2022 are as follows:

(1) Classified by products

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Unit: Million Baht				
Loans to customers measured at amortized cost				
Overdrafts	64,679	61,389	64,622	61,350
Loan against contract	1,063,365	1,048,579	940,731	947,981
Trade bill	338,630	334,739	356,742	351,510
Hire-purchase receivables	432,616	413,536	392,179	373,676
Lease contract receivables	3,947	6,615	1,430	1,457
Credit card receivables	84,478	78,484	-	-
Others	12,822	6,067	2,795	3,891
Total loans to customers	2,000,537	1,949,409	1,758,499	1,739,865
<u>Add</u> Accrued and undue interest receivables	13,988	11,933	9,446	9,530
Total loans to customers and accrued interest receivables	2,014,525	1,961,342	1,767,945	1,749,395
<u>Less</u> Allowance for expected credit loss	(89,070)	(87,851)	(66,140)	(69,387)
Total loans to customers measured at amortized cost	1,925,455	1,873,491	1,701,805	1,680,008
Loans to customers measured at FVOCI				
Loan against contract	16,667	-	-	-
<u>Add</u> Accrued and undue interest receivables	578	-	-	-
Total loans to customers measured at FVOCI	17,245	-	-	-
Total loans to customers and accrued interest receivable, net	1,942,700	1,873,491	1,701,805	1,680,008

(2) Classified by residence of debtors

Loans to customers measured at amortized cost	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
	Unit: Million Baht		Unit: Million Baht	
Domestic	1,897,677	1,867,924	1,742,986	1,724,899
Foreign	102,860	81,485	15,513	14,966
Total	<u>2,000,537</u>	<u>1,949,409</u>	<u>1,758,499</u>	<u>1,739,865</u>

Loans to customers measured at FVOCI	CONSOLIDATED FINANCIAL STATEMENTS 2023	
	Unit: Million Baht	
	CONSOLIDATED FINANCIAL STATEMENTS 2023	
Foreign	16,667	
Total	<u>16,667</u>	

(3) Classified by type of classification

Loans to customers measured at amortized cost	CONSOLIDATED FINANCIAL STATEMENTS			
	2023	2022	2023	2022
	Unit: Million Baht			
Loans to customers and accrued interest receivables	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Stage 1 Performing	1,783,110	32,430	1,743,186	38,474
Stage 2 Under-performing	166,132	23,602	161,442	19,409
Stage 3 Non-performing	65,212	33,038	56,714	29,968
Purchased or originated credit-impaired	71	-	-	-
Total	<u>2,014,525</u>	<u>89,070</u>	<u>1,961,342</u>	<u>87,851</u>

Loans to customers measured at FVOCI	CONSOLIDATED FINANCIAL STATEMENTS 2023	
	Unit: Million Baht	
	CONSOLIDATED FINANCIAL STATEMENTS 2023	
Loans to customers and accrued interest receivables	Loans to customers and accrued interest receivables	
Stage 1 Performing	16,031	
Stage 2 Under-performing	479	
Stage 3 Non-performing	721	
Purchased or originated credit-impaired	14	
Total	<u>17,245</u>	

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
		2023	2022	
Loans to customers measured at amortized cost	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Stage 1 Performing	1,569,122	21,628	1,553,419	28,793
Stage 2 Under-performing	152,348	20,642	149,856	17,150
Stage 3 Non-performing	46,475	23,870	46,120	23,444
Total	1,767,945	66,140	1,749,395	69,387

For the year ended December 31, 2023, the Bank entered into agreements to sell non-performing loans (NPLs) to third parties and for the year ended December 31, 2022, the Bank entered into agreements to sell non-performing loans (NPLs) to third parties and a related company as follows:

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS			
		2023	2022
Book value		3,894	4,307
Net book value		2,617	2,866

Non-performing loans are defined as Stage 3 Non-performing loan accounts in accordance with the BOT's Notification Sor.Nor.Sor. 23/2561, regarding the "Classification and provision criteria of financial institution", dated October 31, 2018.

As at December 31, 2023 and 2022, the Bank and Krungsri Ayudhya AMC Limited ("AMC") had non-performing loans which included interbank and money market items in accordance with BOT's Notification as follows:

Unit: Million Baht

		2023	
	The Bank	AMC	The Bank and AMC
Non-performing loans	43,945	358	44,303
Percentage of total loans	2.02	100.00	2.04

Unit: Million Baht

		2022	
	The Bank	AMC	The Bank and AMC
Non-performing loans	43,750	371	44,121
Percentage of total loans	2.07	100.00	2.09

As at December 31, 2023 and 2022, the Bank and its subsidiaries' non-performing loans which included interbank and money market items in accordance with BOT's Notification are Baht 61,481 million and Baht 53,875 million, respectively.

(4) Modified loans to customers and trouble debt restructuring

For the years ended December 31, 2023 and 2022, loans to customers that were modified while they had a loss allowance measured at an amount equal to lifetime ECL as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Unit: Million Baht				
Loans to customers modified during the years *				
Amortized cost before modification	49,984	45,027	49,624	44,063
Net modification (gain) loss	5	(111)	(80)	(111)
Loans to customers modified since initial recognition				
Gross carrying amount of loans to customers for which loss allowance has changed in the year from lifetime to 12-month ECL cost after modification as at December 31,	1,125	456	1,125	341

* This excluded loans to customers modified under BOT's relief program.

(5) Lease receivables (Included hire-purchase and finance lease receivables)

	CONSOLIDATED FINANCIAL STATEMENTS 2023			Total
	Within 1 Year	Amount due per agreements Greater than 1-5 Years	Greater than 5 Years	
Minimum lease payments	145,823	345,670	38,352	529,845
<u>Less</u> Unearned interest income				(93,282)
Present value of the minimum lease payments				436,563
<u>Add</u> Accrued and undue interest receivables				315
<u>Less</u> Allowance for expected credit loss				(25,428)
Total lease receivables, net				411,450

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS
2022

	Within 1 Year	Amount due per agreements Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	141,994	330,361	35,237	507,592
<u>Less</u> Unearned interest income				<u>(87,441)</u>
Present value of the minimum lease payments				420,151
<u>Add</u> Accrued and undue interest receivables				292
<u>Less</u> Allowance for expected credit loss				<u>(28,841)</u>
Total lease receivables, net				<u>391,602</u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS
2023

	Within 1 Year	Amount due per agreements Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	124,485	316,924	37,324	478,733
<u>Less</u> Unearned interest income				<u>(85,124)</u>
Present value of the minimum lease payments				393,609
<u>Add</u> Accrued and undue interest receivables				286
<u>Less</u> Allowance for expected credit loss				<u>(22,227)</u>
Total lease receivables, net				<u>371,668</u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS
2022

	Within 1 Year	Amount due per agreements Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	118,970	300,617	34,081	453,668
<u>Less</u> Unearned interest income				<u>(78,535)</u>
Present value of the minimum lease payments				375,133
<u>Add</u> Accrued and undue interest receivables				244
<u>Less</u> Allowance for expected credit loss				<u>(24,691)</u>
Total lease receivables, net				<u>350,686</u>

7.9 Allowance for expected credit loss

Allowance for expected credit loss as at December 31, 2023 and 2022 are as follows:

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
2023				
Loans to customers measured at amortized cost	12-month ECL	Allowance for expected credit loss		Total
		Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	
Balance as at January 1, 2023	38,474	19,409	29,968	87,851
Transfer between stage	7,032	(15,396)	8,364	-
Net remeasurement of loss allowance	(23,843)	22,045	14,379	12,581
New financial assets originated or purchased	14,035	1,869	2,280	18,184
Financial assets that have been derecognized	(3,268)	(4,325)	(21,953)	(29,546)
Balance as at December 31, 2023	32,430	23,602	33,038	89,070

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
2022				
Loans to customers measured at amortized cost	12-month ECL	Allowance for expected credit loss		Total
		Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	
Balance as at January 1, 2022	36,582	22,378	25,400	84,360
Transfer between stage	7,536	(15,481)	7,945	-
Net remeasurement of loss allowance	(16,016)	17,627	14,727	16,338
New financial assets originated or purchased	14,371	3,162	2,970	20,503
Financial assets that have been derecognized	(3,999)	(8,277)	(21,074)	(33,350)
Balance as at December 31, 2022	38,474	19,409	29,968	87,851

Unit: Million Baht				
THE BANK'S FINANCIAL STATEMENTS				
2023				
Loans to customers measured at amortized cost	12-month ECL	Allowance for expected credit loss		Total
		Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	
Balance as at January 1, 2023	28,793	17,150	23,444	69,387
Transfer between stage	7,363	(11,804)	4,441	-
Net remeasurement of loss allowance	(22,125)	17,198	9,531	4,604
New financial assets originated or purchased	9,182	1,481	1,902	12,565
Financial assets that have been derecognized	(1,585)	(3,383)	(15,448)	(20,416)
Balance as at December 31, 2023	21,628	20,642	23,870	66,140

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

2022

Allowance for expected credit loss

Loans to customers measured at amortized cost	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	Total
Balance as at January 1, 2022	26,722	20,070	19,851	66,643
Transfer between stage	6,477	(11,514)	5,037	-
Net remeasurement of loss allowance	(13,592)	12,685	12,372	11,465
New financial assets originated or purchased	11,349	3,153	2,056	16,558
Financial assets that have been derecognized	(2,163)	(7,244)	(15,872)	(25,279)
Balance as at December 31, 2022	28,793	17,150	23,444	69,387

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

2023

Allowance for expected credit loss

Loans to customers measured at FVOCI	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	Total
Balance as at January 1, 2023	-	-	-	-
Transfer between stage	108	71	(179)	-
New financial assets originated or purchased	282	55	35	372
Financial assets that have been derecognized	(116)	(60)	319	143
Balance as at December 31, 2023	274	66	175	515

The Bank and its subsidiaries recorded allowance for expected credit loss* in the financial statements as follows:

Unit: Million Baht

	2023	2022
Consolidated financial statements	91,680	90,211
The Bank and Krungsri Ayudhya AMC Limited	68,633	71,668
The Bank's financial statements	68,390	71,412

* Such allowance for expected credit loss consists of allowance for expected credit loss for loans to customers and accrued interest receivables, interbank and money market items and loan commitments and financial guarantee contracts.

As at December 31, 2023 and 2022, the Bank and its subsidiaries had loans to customers and accrued interest receivables to companies which have certain problems in financial position and result of operations as defined in the Guideline of SET dated July 8, 1998 regarding the disclosure of asset quality and related party transactions and the allowance for such loans as follows:

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS			
2023			
Number	Outstanding balance	Collateral	Allowance for expected credit loss
Companies subject to be delisted by SET	2	332	-
Total	2	332	-

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS			
2022			
Number	Outstanding balance	Collateral	Allowance for expected credit loss
Companies subject to be delisted by SET	1	721	-
Total	1	721	-

7.10 Properties for sale, net

Properties for sale, net as at December 31, 2023 and 2022 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS					
Type of Properties for Sale	Balance as at January 1, 2023	Balance of subsidiaries as at acquisition date	Acquisition	Disposition	Balance as at December 31, 2023
1. Assets acquired from debt repayment					
1.1 Immovable	5,251	43	880	(1,011)	5,163*
1.2 Movable	1,259	-	19,355	(18,498)	2,116
Total	6,510	43	20,235	(19,509)	7,279
2. Others	370	-	162	(52)	480
Total properties for sale	6,880	43	20,397	(19,561)	7,759
Less Provision for impairment	(1,668)	(28)	(8,912)	8,404	(2,204)
Total properties for sale	5,212	15	11,485	(11,157)	5,555

Unit: Million Baht

Type of Properties for Sale	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2022	Acquisition	Disposition	Balance as at December 31, 2022
1. Assets acquired from debt repayment				
1.1 Immovable	3,553	1,964	(266)	5,251*
1.2 Movable	870	16,154	(15,765)	1,259
Total	4,423	18,118	(16,031)	6,510
2. Others	362	88	(80)	370
Total properties for sale	4,785	18,206	(16,111)	6,880
<u>Less</u> Provision for impairment	(1,512)	(5,669)	5,513	(1,668)
Total properties for sale	3,273	12,537	(10,598)	5,212

Unit: Million Baht

Type of Properties for Sale	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2023	Acquisition	Disposition	Balance as at December 31, 2023
1. Assets acquired from debt repayment				
1.1 Immovable	4,635	858	(903)	4,590*
1.2 Movable	1,142	17,761	(16,949)	1,954
Total	5,777	18,619	(17,852)	6,544
2. Others	369	162	(52)	479
Total properties for sale	6,146	18,781	(17,904)	7,023
<u>Less</u> Provision for impairment	(1,321)	(8,028)	7,552	(1,797)
Total properties for sale	4,825	10,753	(10,352)	5,226

Unit: Million Baht

Type of Properties for Sale	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2022	Acquisition	Disposition	Balance as at December 31, 2022
1. Assets acquired from debt repayment				
1.1 Immovable	2,802	1,951	(118)	4,635*
1.2 Movable	767	14,604	(14,229)	1,142
Total	3,569	16,555	(14,347)	5,777
2. Others	361	88	(80)	369
Total properties for sale	3,930	16,643	(14,427)	6,146
<u>Less</u> Provision for impairment	(1,139)	(4,853)	4,671	(1,321)
Total properties for sale	2,791	11,790	(9,756)	4,825

* Including properties for sale transferred under the Bank of Thailand's supportive measure for debt settlement through collateral assets transfers with buy-back options (Asset Warehousing).

Immovable assets for sale classified by external and internal appraisers as at December 31, 2023 and 2022 consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Immovable assets - Foreclosed assets				
Appraised by external appraisers	2,524	2,839	2,481	2,838
Appraised by internal appraisers	2,639	2,412	2,109	1,797
Total	5,163	5,251	4,590	4,635

7.11 Premises and equipment, net

Premises and equipment, net as at December 31, 2023 and 2022 are as follows:

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at January 1, 2023	Balance of subsidiaries as at acquisition date	Increase	Decrease	Others	Balance as at December 31, 2023
Land						
Cost	5,269	-	5	(71)	(14)	5,189
Appraisal increase (Year 2023)	9,236	-	1,216	(45)	-	10,407
Appraisal decrease (Year 2023)	(20)	-	-	9	-	(11)
Premises						
Cost	16,060	1,057	992	(1,320)	(34)	16,755
Appraisal increase (Year 2023)	15,584	-	8,097	(82)	-	23,599
Appraisal decrease (Year 2023)	(55)	-	-	40	-	(15)
Equipment	15,729	1,833	3,609	(3,132)	(48)	17,991
Leasehold improvement	3,496	317	136	(247)	(11)	3,691
Total	65,299	3,207	14,055	(4,848)	(107)	77,606
<u>Less</u> Accumulated depreciation						
Land	(5)	-	(3)	1	-	(7)
Premises						
- Cost	(7,487)	(470)	(1,208)	1,281	14	(7,870)
- Appraisal increase (Year 2023)	(12,533)	-	(6,808)	53	-	(19,288)
Equipment	(12,202)	(1,495)	(1,450)	2,759	39	(12,349)
Leasehold improvement	(2,614)	(245)	(215)	217	9	(2,848)
Total	(34,841)	(2,210)	(9,684)	4,311	62	(42,362)
Construction in progress/under installation	546	52	733	(244)	(3)	1,084
Premises and equipment, net	31,004					36,328

CONSOLIDATED FINANCIAL STATEMENTS					Unit: Million Baht
	Balance as at January 1, 2022	Increase	Decrease	Others	Balance as at December 31, 2022
Land					
Cost	5,239	5	(9)	34	5,269
Appraisal increase (Year 2019)	9,290	-	(54)	-	9,236
Appraisal decrease (Year 2019)	(20)	-	-	-	(20)
Premises					
Cost	13,360	3,480	(799)	19	16,060
Appraisal increase (Year 2019)	15,785	-	(201)	-	15,584
Appraisal decrease (Year 2019)	(55)	-	-	-	(55)
Equipment	15,072	1,842	(1,194)	9	15,729
Leasehold improvement	3,530	112	(149)	3	3,496
Total	62,201	5,439	(2,406)	65	65,299
<u>Less</u> Accumulated depreciation					
Land	(3)	(3)	1	-	(5)
Premises					
- Cost	(6,919)	(1,248)	684	(4)	(7,487)
- Appraisal increase (Year 2019)	(12,508)	(213)	188	-	(12,533)
Equipment	(11,806)	(1,279)	889	(6)	(12,202)
Leasehold improvement	(2,492)	(240)	121	(3)	(2,614)
Total	(33,728)	(2,983)	1,883	(13)	(34,841)
Construction in progress/under installation	2,348	944	(2,749)	3	546
Premises and equipment, net	30,821				31,004
					Unit: Million Baht
					2023
					2022
Depreciation for the years					3,133
					2,983

As at December 31, 2023 and 2022, the Bank and its subsidiaries had premises and equipment which were fully depreciated but still in use, with the original costs amounting to Baht 15,408 million and Baht 13,600 million, respectively.

As at December 31, 2023 and 2022, the Bank and its subsidiaries had premises and equipment which are under right-of-use asset, with the original costs amounting to Baht 5,241 million and Baht 4,369 million, respectively.

Land and premises of the Bank was revalued in 2023 by the independent professional qualified appraisers. The basis of revaluation for land and premises are market value and depreciated replacement cost. The fair value of land and premises are determined as level 3 hierarchy.

	THE BANK'S FINANCIAL STATEMENTS			Unit: Million Baht
	Balance as at January 1, 2023	Increase	Decrease	Balance as at December 31, 2023
Land				
Cost	4,241	1	(71)	4,171
Appraisal increase (Year 2023)	9,237	1,215	(45)	10,407
Appraisal decrease (Year 2023)	(20)	-	9	(11)
Premises				
Cost	15,125	652	(980)	14,797
Appraisal increase (Year 2023)	15,584	8,097	(82)	23,599
Appraisal decrease (Year 2023)	(55)	-	40	(15)
Equipment	12,560	2,892	(2,067)	13,385
Leasehold improvement	2,490	90	(207)	2,373
Total	59,162	12,947	(3,403)	68,706
<u>Less</u> Accumulated depreciation				
Land	(1)	(1)	-	(2)
Premises				
- Cost	(7,025)	(847)	951	(6,921)
- Appraisal increase (Year 2023)	(12,533)	(6,808)	53	(19,288)
Equipment	(9,883)	(1,151)	1,993	(9,041)
Leasehold improvement	(1,758)	(145)	178	(1,725)
Total	(31,200)	(8,952)	3,175	(36,977)
Construction in progress/under installation	164	35	(163)	36
Premises and equipment, net	28,126			31,765

THE BANK'S FINANCIAL STATEMENTS				Unit: Million Baht
	Balance as at January 1, 2022	Increase	Decrease	Balance as at December 31, 2022
Land				
Cost	4,250	1	(10)	4,241
Appraisal increase (Year 2019)	9,290	-	(53)	9,237
Appraisal decrease (Year 2019)	(20)	-	-	(20)
Premises				
Cost	12,504	3,264	(643)	15,125
Appraisal increase (Year 2019)	15,785	-	(201)	15,584
Appraisal decrease (Year 2019)	(55)	-	-	(55)
Equipment	11,870	1,422	(732)	12,560
Leasehold improvement	2,560	68	(138)	2,490
Total	56,184	4,755	(1,777)	59,162
<u>Less</u> Accumulated depreciation				
Land	(1)	(1)	1	(1)
Premises				
- Cost	(6,615)	(1,034)	624	(7,025)
- Appraisal increase (Year 2019)	(12,508)	(214)	189	(12,533)
Equipment	(9,461)	(1,102)	680	(9,883)
Leasehold improvement	(1,695)	(173)	110	(1,758)
Total	(30,280)	(2,524)	1,604	(31,200)
Construction in progress/under installation	2,243	606	(2,685)	164
Premises and equipment, net	28,147			28,126
				Unit: Million Baht
			2023	2022
Depreciation for the years			2,396	2,524

As at December 31, 2023 and 2022, the Bank had premises and equipment which were fully depreciated but still in use, with the original costs amounting to Baht 11,252 million and Baht 11,038 million, respectively.

As at December 31, 2023 and 2022, the Bank had premises and equipment which are under right-of-use asset, with the original costs amounting to Baht 3,170 million and Baht 3,210 million, respectively.

7.12 Goodwill and other intangible assets, net

Goodwill and other intangible assets, net as at December 31, 2023 and 2022 are as follows:

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at January 1, 2023	Balance of subsidiaries as at acquisition date	Increase	Decrease	Other	Balance as at December 31, 2023
Cost						
Goodwill	12,707	-	13,067	-	(505)	25,269
Software	14,287	3,729	1,033	(7)	(126)	18,916
Other intangible assets	5,649	316	916	-	(15)	6,866
Total	32,643	4,045	15,016	(7)	(646)	51,051
Accumulated amortization						
Software	(10,974)	(2,133)	(1,567)	7	(12)	(14,679)
Other intangible assets	(5,384)	(295)	(198)	-	102	(5,775)
Total	(16,358)	(2,428)	(1,765)	7	90	(20,454)
Software under installation	407	1,261	952	(1,053)	(57)	1,510
Allowance for impairment	(20)	-	(584)	-	37	(567)
Goodwill and other intangible assets, net	<u>16,672</u>					<u>31,540</u>

Unit: Million Baht					
CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2022	Increase	Decrease	Other	Balance as at December 31, 2022
Cost					
Goodwill	12,616	-	-	91	12,707
Software	12,962	1,383	(64)	6	14,287
Other intangible assets	5,695	7	(58)	5	5,649
Total	31,273	1,390	(122)	102	32,643
Accumulated amortization					
Software	(9,575)	(1,424)	27	(2)	(10,974)
Other intangible assets	(5,314)	(125)	58	(3)	(5,384)
Total	(14,889)	(1,549)	85	(5)	(16,358)
Software under installation	658	504	(756)	1	407
Allowance for impairment	(20)	-	-	-	(20)
Goodwill and other intangible assets, net	<u>17,022</u>				<u>16,672</u>

Unit: Million Baht	
2023	2022
Amortization for the years	1,765
	<u>1,549</u>

In 2023, the Bank has been recognized impairment loss on goodwill of SHBank Finance Company Limited, in the amount of Baht 584 million. Loss on impairment of goodwill was presented as other operating expenses in the consolidated financial statements.

As at December 31, 2023 and 2022, the Bank and its subsidiaries had intangible assets which were fully amortized but still in use, with the original costs amounting to Baht 10,041 million and Baht 7,386 million, respectively.

Unit: Million Baht				
THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2023	Increase	Decrease	Balance as at December 31, 2023
Cost				
Goodwill	1,054	-	-	1,054
Software	11,973	1,064	-	13,037
Other intangible assets	12	-	-	12
Total	13,039	1,064	-	14,103
Accumulated amortization				
Software	(9,106)	(1,195)	-	(10,301)
Other intangible assets	(7)	-	-	(7)
Total	(9,113)	(1,195)	-	(10,308)
Software under installation	369	732	(512)	589
Allowance for impairment	(618)	-	-	(618)
Goodwill and other intangible assets, net	3,677			3,766

	Unit: Million Baht			
	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2022	Increase	Decrease	Balance as at December 31, 2022
Cost				
Goodwill	1,054	-	-	1,054
Software	10,733	1,244	(4)	11,973
Other intangible assets	18	-	(6)	12
Total	11,805	1,244	(10)	13,039
Accumulated amortization				
Software	(7,944)	(1,167)	5	(9,106)
Other intangible assets	(13)	-	6	(7)
Total	(7,957)	(1,167)	11	(9,113)
Software under installation	525	381	(537)	369
Allowance for impairment	(546)	(72)	-	(618)
Goodwill and other intangible assets, net	3,827			3,677

Unit: Million Baht		
	2023	2022
Amortization for the years	<u>1,195</u>	<u>1,167</u>

As at December 31, 2023 and 2022, the Bank had intangible assets which were fully amortized but still in use, with the original costs amounting to Baht 7,091 million and Baht 6,119 million, respectively.

7.13 Deferred tax

Deferred tax assets and deferred tax liabilities as at December 31, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Deferred tax assets	6,086	4,249	285	429
Deferred tax liabilities	<u>(1,304)</u>	<u>(1,050)</u>	<u>-</u>	<u>-</u>
Net	<u>4,782</u>	<u>3,199</u>	<u>285</u>	<u>429</u>

Movements of deferred tax assets and deferred tax liabilities during the years are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					Unit: Million Baht
	Balance as at January 1, 2023	Balance of subsidiaries as at acquisition date	Items as recognized into profit or loss	Items as recognized into other comprehensive income	Others	Balance as at December 31, 2023
Deferred tax assets						
Impairment of assets	331	6	76	-	-	413
Loans to customers and accrued interest receivables, net	4,927	1,499	(6)	-	(35)	6,385
Provisions	1,892	146	218	24	(6)	2,274
Others	1,206	410	1,256	214	(7)	3,079
Total	8,356	2,061	1,544	238	(48)	12,151
Deferred tax liabilities						
Asset appraisal surplus	2,458	-	(65)	551	-	2,944
Investments	218	625	(14)	88	91	1,008
Others	2,481	217	697	(1)	23	3,417
Total	5,157	842	618	638	114	7,369
Deferred tax assets, net	3,199	1,219	926	(400)	(162)	4,782

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2022	Items as recognized into profit or loss	Items as recognized into other comprehensive income	Others	Balance as at December 31, 2022
Deferred tax assets					
Impairment of assets	314	14	3	-	331
Loans to customers and accrued interest receivables, net	5,113	(196)	-	10	4,927
Provisions	2,139	(47)	(201)	1	1,892
Others	887	38	299	(18)	1,206
Total	8,453	(191)	101	(7)	8,356
Deferred tax liabilities					
Asset appraisal surplus	2,514	(56)	-	-	2,458
Investments	322	54	(252)	94	218
Others	2,233	184	167	(103)	2,481
Total	5,069	182	(85)	(9)	5,157
Deferred tax assets, net	3,384	(373)	186	2	3,199

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS					
	Balance as at January 1, 2023	Items as recognized into profit or loss	Items as recognized into other comprehensive income	Others	Balance as at December 31, 2023
Deferred tax assets					
Impairment of assets	321	85	-	-	406
Loans to customers and accrued interest receivables, net	931	(1)	-	-	930
Provisions	1,577	185	40	-	1,802
Others	825	(5)	(9)	-	811
Total	3,654	264	31	-	3,949
Deferred tax liabilities					
Asset appraisal surplus	2,458	(65)	551	-	2,944
Investments	215	-	(143)	101	173
Others	552	(57)	52	-	547
Total	3,225	(122)	460	101	3,664
Deferred tax assets, net	429	386	(429)	(101)	285

					Unit: Million Baht
THE BANK'S FINANCIAL STATEMENTS					
	Balance as at January 1, 2022	Items as recognized into profit or loss	Items as recognized into other comprehensive income	Others	Balance as at December 31, 2022
Deferred tax assets					
Impairment of assets	284	34	3	-	321
Loans to customers and accrued interest receivables, net	942	(11)	-	-	931
Provisions	1,811	(72)	(162)	-	1,577
Others	575	(12)	262	-	825
Total	3,612	(61)	103	-	3,654
Deferred tax liabilities					
Asset appraisal surplus	2,514	(56)	-	-	2,458
Investments	256	-	(165)	124	215
Others	563	(11)	-	-	552
Total	3,333	(67)	(165)	124	3,225
Deferred tax assets, net	279	6	268	(124)	429

7.14 Other assets, net

Other assets, net as at December 31, 2023 and 2022 are as follows:

				Unit: Million Baht
CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS		
	2023	2022	2023	2022
Accrued income	2,351	1,957	989	906
Prepayment	1,945	1,292	1,132	964
Other receivables	18,786	9,950	12,792	6,807
Margin call to counterparty	3,488	5,580	3,488	5,580
Others	4,117	4,041	3,518	3,290
Total	30,687	22,820	21,919	17,547

7.15 Deposits

Deposits as at December 31, 2023 and 2022 are as follows:

(1) Classified by product

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Current deposit	50,424	50,344	50,732	50,998
Savings deposit	961,051	1,099,683	967,026	1,103,165
Time deposit				
- Less than 6 months	321,399	358,756	322,556	359,436
- 6 months and less than 1 year	39,929	13,503	38,523	12,400
- 1 year and over	465,445	282,406	436,882	256,187
Certificate of deposit	1,353	-	-	-
Total	<u>1,839,601</u>	<u>1,804,692</u>	<u>1,815,719</u>	<u>1,782,186</u>

(2) Classified by currency and residence of depositors

	Unit: Million Baht CONSOLIDATED FINANCIAL STATEMENTS					
	2023			2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,669,025	4,481	1,673,506	1,639,126	2,747	1,641,873
US Dollar	97,661	38,325	135,986	78,580	50,550	129,130
Other currencies	23,217	6,892	30,109	18,810	14,879	33,689
Total	<u>1,789,903</u>	<u>49,698</u>	<u>1,839,601</u>	<u>1,736,516</u>	<u>68,176</u>	<u>1,804,692</u>

	Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS					
	2023			2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,683,012	4,324	1,687,336	1,651,318	2,405	1,653,723
US Dollar	97,661	5,277	102,938	78,580	18,456	97,036
Other currencies	23,217	2,228	25,445	18,810	12,617	31,427
Total	<u>1,803,890</u>	<u>11,829</u>	<u>1,815,719</u>	<u>1,748,708</u>	<u>33,478</u>	<u>1,782,186</u>

7.16 Interbank and money market items (Liability)

Interbank and money market items (liability) as at December 31, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Domestic items				
Bank of Thailand and Financial				
Institution Development Fund	26,653	15,611	26,653	15,611
Commercial banks	67,641	75,929	57,834	69,115
Specialized financial institutions	1,490	2,858	1,490	2,858
Other financial institutions	13,837	26,724	22,728	35,515
Total domestic items	109,621	121,122	108,705	123,099
Foreign items				
US Dollar	135,188	151,583	121,105	137,442
YEN	39,979	10,437	39,979	10,437
Other currencies	39,208	6,835	1,491	1,727
Total foreign items	214,375	168,855	162,575	149,606
Total domestic and foreign items	323,996	289,977	271,280	272,705

7.17 Debt issued and borrowings

Debt issued and borrowings as at December 31, 2023 and 2022 are as follows:

Unit: Million Baht									
CONSOLIDATED FINANCIAL STATEMENTS									
				2023			2022		
	Currency	Interest rate (%)	Maturity	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated debentures	THB	3.00 - 4.30	2029-2032	60,826	-	60,826	60,826	-	60,826
	USD	7.50 - 8.00	2027-2030	-	538	538	-	613	613
Senior debentures	THB	1.12 - 4.70	2024-2027	35,927	-	35,927	27,870	-	27,870
	USD	6.77	2026	-	2,395	2,395	-	2,419	2,419
Bill of exchange	THB	-	-	1	-	1	1	-	1
Other borrowings	THB	0.00 - 6.10	2024-2028	11	216	227	21	610	631
	USD	0.00 - 6.30	2024-2027	-	4,303	4,303	-	5,839	5,839
				96,765	7,452	104,217	88,718	9,481	98,199

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS									
	Currency	Interest rate	Maturity	2023			2022		
				Domestic	Foreign	Total	Domestic	Foreign	Total
		(%)							
Subordinated debentures	THB	3.00 - 4.30	2029-2032	60,826	-	60,826	60,826	-	60,826
Senior debentures	THB	2.28 - 3.11	2025-2026	15,000	-	15,000	4,100	-	4,100
	USD	6.77	2026	-	2,395	2,395	-	2,419	2,419
Bill of exchange	THB	-	-	1	-	1	1	-	1
Other borrowings	THB	0.00	2024-2028	11	-	11	21	-	21
				75,838	2,395	78,233	64,948	2,419	67,367

Additional information on debts issued and borrowings is as follows:

1. On June 14, 2019, the Bank issued subordinated debentures No. 1/2019 in the amount of Baht 18,826 million for a 10-year tenor at the fixed interest rate of 3.8% per annum, payable quarterly in March, June, September, and December of each year. The Bank has the right to redeem subordinated debentures on the fifth anniversary of the issued date or any interest payment date thereafter subject to the approval of the BOT.
2. On November 5, 2021, the Bank issued subordinated debentures No. 1/2021 in the amount of Baht 10,000 million for a 10-year tenor at the fixed interest rate of 3.0% per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem subordinated debentures on the fifth anniversary date of issue date or any interest payment date thereafter subject to the approval of the BOT.
3. On July 27, 2022, the Bank issued subordinated debentures No. 1/2022 in the amount of Baht 15,460 million for a 10-year tenor at the fixed interest rate of 3.9% per annum, payable quarterly in January, April, July and October of each year. The Bank has the right to redeem subordinated debentures on the fifth anniversary date of issue date or any interest payment date thereafter subject to the approval of the BOT.
4. On November 17, 2022, the Bank issued subordinated debentures No. 2/2022 in the amount of Baht 16,540 million for a 10-year tenor at the fixed interest rate of 4.3% per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem subordinated debentures on the fifth anniversary date of issue date or any interest payment date thereafter subject to the approval of the BOT.

7.18 Provisions

Provisions for the years ended December 31, 2023 and 2022 are as follows:

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at January 1, 2022	Increase (Decrease)	Balance as at December 31, 2022	Balance of Subsidiaries as of acquisition date	Increase (Decrease)	Balance as at December 31, 2023
Allowance for expected credit loss for loan commitments and financial guarantee contracts	2,557	(746)	1,811	14	(24)	1,801
Provision for post-employment benefits obligation	8,317	(705)	7,612	427	482	8,521
Others	1,141	42	1,183	16	692	1,891
Total	12,015	(1,409)	10,606	457	1,150	12,213

	Unit: Million Baht				
	THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2022	Increase (Decrease)	Balance as at December 31, 2022	Increase (Decrease)	Balance as at December 31, 2023
Allowance for expected credit loss for loan commitments and financial guarantee contracts	1,994	(527)	1,467	(30)	1,437
Provision for post-employment benefits obligation	6,975	(611)	6,364	459	6,823
Others	784	(44)	740	662	1,402
Total	9,753	(1,182)	8,571	1,091	9,662

Post-employment benefits obligation

The Bank and its subsidiaries operate post-employment benefits plans, which are considered as unfunded defined benefit plans. These plans are recognized as a part of provision in the statement of financial position.

Movements in the present value of the post-employment benefits obligation for the years ended December 31, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Opening post-employment benefits obligation	7,612	8,317	6,364	6,975
Balance of subsidiaries as at acquisition date	427	-	-	-
Current service cost	561	600	412	471
Interest cost	212	155	166	125
Actuarial (gains) losses				
- Experience	177	12	144	9
- Demographic assumptions	(381)	5	(182)	-
- Financial assumptions	318	(1,024)	240	(819)
Benefit paid	(395)	(456)	(330)	(402)
Transfer in (out) employee from subsidiaries	-	3	9	5
Others	(10)	-	-	-
Closing post-employment benefits obligation	<u>8,521</u>	<u>7,612</u>	<u>6,823</u>	<u>6,364</u>

Actuarial (gains) losses are recognized in other comprehensive income for the years ended December 31, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Included in the retained earnings:				
As at January 1	(401)	606	(300)	509
Recognized during the years	<u>114</u>	<u>(1,007)</u>	<u>202</u>	<u>(809)</u>
As at December 31	<u>(287)</u>	<u>(401)</u>	<u>(98)</u>	<u>(300)</u>

Amounts recognized in the statements of profit or loss and other comprehensive income in respect of the post-employment benefits obligation for the years ended December 31, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Current service cost	561	600	412	471
Interest on obligation	<u>212</u>	<u>155</u>	<u>166</u>	<u>125</u>
	<u>773</u>	<u>755</u>	<u>578</u>	<u>596</u>

The principal actuarial assumptions used to calculate the post-employment benefits obligation as at December 31, 2023 and 2022 are as follows:

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
	2023	2022
Financial assumptions		
Discount rate	2.37% - 8.00%	1.44% - 8.00%
Salary increase rate	5.5% - 7.0%	5.3% - 7.0%
Retirement age	55 and 60 years	55 and 60 years

Significant actuarial assumptions - Impact on increase (decrease) in the post-employment benefits obligation as at December 31, 2023 and 2022 are as follows:

	Unit: Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Discount rate - 1% increase	(680)	(624)	(520)	(494)
Discount rate - 1% decrease	780	713	592	561
Salary increase rate - 1% increase	905	878	723	730
Salary increase rate - 1% decrease	(815)	(794)	(657)	(665)

7.19 Other liabilities

Other liabilities as at December 31, 2023 and 2022 are as follows:

	Unit: Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Accrued expenses	20,849	13,614	14,498	9,764
Tax payable	6,540	5,533	4,314	3,530
Deposit	5,986	4,108	376	1,324
Unearned income from customer loyalty program	2,901	2,978	-	-
Other payables	22,717	12,695	11,810	6,948
Margin call from counterparty	8,662	5,931	8,662	5,932
Others	10,630	4,243	7,005	3,862
Total	<u>78,285</u>	<u>49,102</u>	<u>46,665</u>	<u>31,360</u>

7.20 Advances received from electronic transactions

According to BOT's Notification No. Sor. Nor. Chor. 7/2561 regarding the "Regulations on Service Business Relating to Electronic Money (e-Money) Services" dated April 16, 2018, the Bank is required to disclose advances received from e-Money Services. As at December 31, 2023 and 2022, the Bank had advances received from e-Money Services, presented as other liabilities, amounting to Baht 1,168 million and Baht 509 million, respectively.

The BOT Notification No. Sor. Nor. Chor. 2/2562 regarding the "Regulations on Service Business Relating to Electronic Fund Transfer" dated December 20, 2019, the Bank is required to disclose cash advances received from electronic fund transfer transactions. As at December 31, 2023 and 2022, the Bank had those advances received from electronic fund transfer transactions, presented as liabilities payable on demand amounting to Baht 2 million and Baht 1 million, respectively and other liabilities amounting to Baht 3,512 million and Baht 1,713 million, respectively.

The Bank has kept advance received from electronic transactions which is a part of cash in the statements of financial position as of December 31, 2023 and 2022 in the amount of Baht 1,171 million and Baht 519 million, respectively.

7.21 Offsetting of financial assets and financial liabilities

(1) Offsetting of financial assets and financial liabilities as at December 31, 2023 and 2022 are as follows:

Unit: Million Baht					
CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS					
2023					
Gross amount	Amounts offset in the statement of financial position	Net amount presented in the statement of financial position	Amounts not offset in the statement of financial position		Net amount
			Unqualified contractual offset amounts	Related financial collateral amount	
Financial assets:					
Reverse repurchase agreements	351,046	-	351,046	-	351,046
Derivatives assets	26,485	-	26,485	14,580	7,412
Total	377,531	-	377,531	14,580	358,458
Financial liabilities:					
Repurchase agreements	46,141	-	46,141	-	46,141
Derivatives liabilities	27,405	-	27,405	14,580	3,209
Total	73,546	-	73,546	14,580	49,350

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
2022

	Gross amount	Amounts offset in the statement of financial position	Net amount presented in the statement of financial position	Amounts not offset in the statement of financial position		Net amount
				Unqualified contractual offset amounts	Related financial collateral amount	
Financial assets:						
Reverse repurchase agreements	321,227	-	321,227	-	321,227	-
Derivatives assets	28,473	-	28,473	19,456	4,023	4,994
Loans to customers	2,026	-	2,026	-	2,026	-
Total	351,726	-	351,726	19,456	327,276	4,994
Financial liabilities:						
Repurchase agreements	64,407	-	64,407	-	64,407	-
Derivatives liabilities	33,426	-	33,426	19,456	4,981	8,989
Total	97,833	-	97,833	19,456	69,388	8,989

(2) Reconciliation of offsetting transactions with line item in statement of financial position as at December 31, 2023 and 2022 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

	Net amount presented in the statement of financial position	Item in the statement of position	2023 Notes	Carrying amount in the statement of financial position	Carrying amount of financial instruments not in scope of offsetting
Financial assets:					
Reverse repurchase agreements	351,046	Interbank and money market items, net (Asset)	7.3	507,974	156,928
Derivatives assets	26,485	Derivatives assets	7.5	29,056	2,571
Loans to customers	-	Loans to customers and accrued interest receivables, net	7.8	1,942,700	1,942,700
Total	377,531			2,479,730	2,102,199
Financial liabilities:					
Repurchase agreements	46,141	Interbank and money market items (Liability)	7.16	323,996	277,855
Derivatives liabilities	27,405	Derivatives liabilities	7.5	32,839	5,434
Total	73,546			356,835	283,289

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS					
			2022		
	Net amount presented in the statement of financial position	Item in the statement of position	Notes	Carrying amount in the statement of financial position	Carrying amount of financial instruments not in scope of offsetting
Financial assets:					
Reverse repurchase agreements	321,227	Interbank and money market items, net (Asset)	7.3	460,920	139,693
Derivatives assets	28,473	Derivatives assets	7.5	30,027	1,554
Loans to customers	2,026	Loans to customers and accrued interest receivables, net	7.8	1,873,491	1,871,465
Total	351,726			2,364,438	2,012,712
Financial liabilities:					
Repurchase agreements	64,407	Interbank and money market items (Liability)	7.16	289,977	225,570
Derivatives liabilities	33,426	Derivatives liabilities	7.5	37,340	3,914
Total	97,833			327,317	229,484

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS					
			2023		
	Net amount presented in the statement of financial position	Item in the statement of position	Notes	Carrying amount in the statement of financial position	Carrying amount of financial instruments not in scope of offsetting
Financial assets:					
Reverse repurchase agreements	351,046	Interbank and money market items, net (Asset)	7.3	489,173	138,127
Derivatives assets	26,485	Derivatives assets	7.5	29,258	2,773
Loan to customers	-	Loans to customers and accrued interest receivables, net	7.8	1,701,805	1,701,805
Total	377,531			2,220,236	1,842,705
Financial liabilities:					
Repurchase agreements	46,141	Interbank and money market items (Liability)	7.16	271,280	225,139
Derivatives liabilities	27,405	Derivatives liabilities	7.5	33,097	5,692
Total	73,546			304,377	230,831

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS					
			2022		
	Net amount presented in the statement of financial position	Item in the statement of position	Notes	Carrying amount in the statement of financial position	Carrying amount of financial instruments not in scope of offsetting
Financial assets:					
Reverse repurchase agreements	321,227	Interbank and money market items, net (Asset)	7.3	451,780	130,553
Derivatives assets	28,473	Derivatives assets	7.5	31,211	2,738
Loan to customers	2,026	Loans to customers and accrued interest receivables, net	7.8	1,680,008	1,677,982
Total	351,726			2,162,999	1,811,273
Financial liabilities:					
Repurchase agreements	64,407	Interbank and money market items (Liability)	7.16	272,705	208,298
Derivatives liabilities	33,426	Derivatives liabilities	7.5	38,723	5,297
Total	97,833			311,428	213,595

7.22 Fair value of financial assets and financial liabilities

Fair value is the price that would be received from selling an asset or paying for transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in the absence of a principal market, the most liquid market where the Bank and its subsidiaries are able to access.

Fair value measurement of financial assets and liabilities are determined according to the following hierarchy:

- Level 1 - Quoted price (unadjusted) in active market for identical assets or liabilities that the Bank and its subsidiaries can access at the measurement date
- Level 2 - Quoted price in active market for similar assets or liabilities, the quoted price for identical or similar assets in inactive market and other valuation technique where significant inputs used to measure the fair value are observable
- Level 3 - Using techniques where significant inputs used to measure the fair value are unobservable

A summary of carrying amount of financial assets and liabilities as at December 31, 2023 and 2022 are as follows:

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
	2023			2022		
	Measured at fair value	Not measured at fair value	Total carrying amount	Measured at fair value	Not measured at fair value	Total carrying amount
Financial assets:						
Cash	-	28,170	28,170	-	29,810	29,810
Interbank and money market items, net	-	507,974	507,974	-	460,920	460,920
Financial assets measured at fair value through profit or loss	1,740	-	1,740	998	-	998
Derivatives assets	28,884	172	29,056	30,027	-	30,027
Investments, net	127,666	2,873	130,539	144,649	518	145,167
Loans to customers and accrued interest receivables, net	17,245	1,925,455	1,942,700	-	1,873,491	1,873,491
Total	175,535	2,464,644	2,640,179	175,674	2,364,739	2,540,413
Financial liabilities:						
Deposits	-	1,839,601	1,839,601	-	1,804,692	1,804,692
Interbank and money market items	-	323,996	323,996	-	289,977	289,977
Liability payable on demand	-	4,387	4,387	-	4,226	4,226
Derivatives liabilities	28,898	3,941	32,839	32,152	5,188	37,340
Debt issued and borrowings	-	104,217	104,217	-	98,199	98,199
Total	28,898	2,276,142	2,305,040	32,152	2,202,282	2,234,434

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

	Measured at fair value	2023 Not measured at fair value	Total carrying amount	Measured at fair value	2022 Not measured at fair value	Total carrying amount
Financial assets:						
Cash	-	25,128	25,128	-	27,558	27,558
Interbank and money market items, net	-	489,173	489,173	-	451,780	451,780
Financial assets measured at fair value through profit or loss	623	-	623	-	-	-
Derivatives assets	29,174	84	29,258	31,211	-	31,211
Investments, net	125,353	-	125,353	142,055	-	142,055
Loans to customers and accrued interest receivables, net	-	1,701,805	1,701,805	-	1,680,008	1,680,008
Total	<u>155,150</u>	<u>2,216,190</u>	<u>2,371,340</u>	<u>173,266</u>	<u>2,159,346</u>	<u>2,332,612</u>
Financial liabilities:						
Deposits	-	1,815,719	1,815,719	-	1,782,186	1,782,186
Interbank and money market items	-	271,280	271,280	-	272,705	272,705
Liability payable on demand	-	4,382	4,382	-	4,223	4,223
Derivatives liabilities	29,430	3,667	33,097	33,535	5,188	38,723
Debt issued and borrowings	-	78,233	78,233	-	67,367	67,367
Total	<u>29,430</u>	<u>2,173,281</u>	<u>2,202,711</u>	<u>33,535</u>	<u>2,131,669</u>	<u>2,165,204</u>

Financial assets and liabilities measured at fair value

Classification of financial assets and liabilities measured at fair value by the level of fair value hierarchy as at December 31, 2023 and 2022 are as follows:

Unit: Million Baht								
CONSOLIDATED FINANCIAL STATEMENTS								
	2023				2022			
	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss	517	623	600	1,740	353	-	645	998
Derivatives assets	25	28,859	-	28,884	-	30,027	-	30,027
Investments in debt securities measured at fair value through other comprehensive income	-	119,966	-	119,966	-	135,224	-	135,224
Investments in equity securities designated at fair value through other comprehensive income	5,796	-	1,904	7,700	7,408	-	2,017	9,425
Loans to Customers and accrued interest receivables - net measured at fair value through other comprehensive income	-	-	17,245	17,245	-	-	-	-
Derivative liabilities	1	28,897	-	28,898	-	32,152	-	32,152

Unit: Million Baht								
THE BANK'S FINANCIAL STATEMENTS								
	2023				2022			
	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss	-	623	-	623	-	-	-	-
Derivatives assets	-	29,174	-	29,174	-	31,211	-	31,211
Investments in debt securities measured at fair value through other comprehensive income	-	119,605	-	119,605	-	134,717	-	134,717
Investments in equity securities designated at fair value through other comprehensive income	5,313	-	435	5,748	6,941	-	397	7,338
Derivative liabilities	-	29,430	-	29,430	-	33,535	-	33,535

There are no transfers of financial assets and financial liabilities measured at fair value between level 1 and level 2 for the year ended December 31, 2023.

There was transfer of financial assets measured at fair value from level 3 to level 1 for the year ended December 31, 2022 amounting to Baht 467 million because there was an available market price.

There was transfer of financial assets measured at fair value from level 1 to level 3 for the year ended December 31, 2022 amounting to Baht 7 million because the investment in unit trust was delisted from security trading in SET.

Valuation technique for financial assets and liabilities measured at fair value of the Bank and its subsidiaries are as follows:

Derivatives

The valuation techniques used to determine the fair value of derivatives are dependent on the type of instrument and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards model commonly used by market participants. The data used in the valuation is the observable input e.g. interest rate, forward exchange rate. Credit valuation adjustments are also made against the valuation of derivative products to reflect the possibility that the counterparty may default and the Bank and its subsidiaries may not receive the full market value of the transactions.

Investments

Investment in domestic debt securities listed in Thai Bond Market Association (“ThaiBMA”), discounted cash flow using ThaiBMA yield curve as the discounted rate to determine the fair value.

Equity securities traded in the SET, the fair value is determined by using the last bid price of SET.

Equity securities not listed in the SET, the fair value is determined by using the latest net book value of invested company.

Investment in unit trust not listed in SET, the fair value is determined by using the net asset value at the reporting date announced by the asset management company.

Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables measured at fair value through other comprehensive income is calculated based on discounted cash flow methodology using weighted average cost of capital, after consideration of incremental transaction costs, amortized origination fees and risk premium associated with the nature of the loan product.

Financial assets and liabilities not measured at fair value

Fair value of financial assets and liabilities which are not measured at fair value and their fair value hierarchy level classification is summarized as at December 31, 2023 and 2022 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS									
	2023					2022				
	Fair value				Carrying amount	Fair value				Carrying amount
	Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value		Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value	
Financial assets:										
Cash	-	-	28,170	28,170	28,170	-	-	29,810	29,810	29,810
Interbank and money market items, net	-	-	507,974	507,974	507,974	-	-	460,920	460,920	460,920
Derivatives assets										
- dynamic hedge	336	-	-	336	172	-	-	-	-	-
Investments in debt securities measured at amortized cost	2,221	513	140	2,874	2,873	-	518	-	518	518
Loans to customers and accrued interest receivables, net	-	-	1,925,455	1,925,455	1,925,455	-	-	1,873,491	1,873,491	1,873,491
Total	2,557	513	2,461,739	2,464,809	2,464,644	-	518	2,364,221	2,364,739	2,364,739
Financial liabilities:										
Deposits	1,842,619	-	2,480	1,845,099	1,839,601	1,805,492	-	-	1,805,492	1,804,692
Interbank and money market items	-	-	323,996	323,996	323,996	-	-	289,977	289,977	289,977
Liability payable on demand	-	-	4,387	4,387	4,387	-	-	4,226	4,226	4,226
Derivatives liabilities										
- dynamic hedge	3,884	-	-	3,884	3,941	5,224	-	-	5,224	5,188
Debt issued and borrowings	93,665	7,360	2,408	103,433	104,217	85,980	8,852	2,441	97,273	98,199
Total	1,940,168	7,360	333,271	2,280,799	2,276,142	1,896,696	8,852	296,644	2,202,192	2,202,282

Unit: Million Baht

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	2023					2022				
	Fair value				Carrying amount	Fair value				Carrying amount
	Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value		Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value	
Financial assets:										
Cash	-	-	25,128	25,128	25,128	-	-	27,558	27,558	27,558
Interbank and money market items, net	-	-	489,173	489,173	489,173	-	-	451,780	451,780	451,780
Derivatives assets										
- dynamic hedge	87	-	-	87	84	-	-	-	-	-
Investments in debt securities measured at amortized cost	-	-	-	-	-	-	-	-	-	-
Loans to customers and accrued interest receivables, net	-	-	1,701,805	1,701,805	1,701,805	-	-	1,680,008	1,680,008	1,680,008
Total	87	-	2,216,106	2,216,193	2,216,190	-	-	2,159,346	2,159,346	2,159,346
Financial liabilities:										
Deposits	1,821,216	-	-	1,821,216	1,815,719	1,782,988	-	-	1,782,988	1,782,186
Interbank and money market items	-	-	271,280	271,280	271,280	-	-	272,705	272,705	272,705
Liability payable on demand	-	-	4,382	4,382	4,382	-	-	4,223	4,223	4,223
Derivatives liabilities										
- dynamic hedge	3,609	-	-	3,609	3,667	5,224	-	-	5,224	5,188
Debt issued and borrowings	75,684	-	2,408	78,092	78,233	63,876	-	2,441	66,317	67,367
Total	1,900,509	-	278,070	2,178,579	2,173,281	1,852,088	-	279,369	2,131,457	2,131,669

Valuation technique for financial assets and liabilities not measured at fair value are as follows:

Cash and interbank and money market items (assets)

The carrying amounts of cash and interbank and money market items (assets) presented in the statement of financial position are the approximated fair value.

Investments in debt securities measured at amortized cost

The carrying amount of investments in debt securities measured at amortized cost presented in the statement of financial position is the approximated fair value, except for investment in domestic debt securities listed in Thai Bond Market Association (“ThaiBMA”), discounted cash flow using ThaiBMA yield curve as the discounted rate to determine the fair value.

Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables measured at amortized cost include variable interest rate loans, fixed rate loans with relatively short maturities and non-performing loans. Most loans carry a floating interest rate. The fair value is approximated by the outstanding balance of loans to customers and accrued interest receivables less allowance for expected credit loss.

Deposits

The fair value of deposits is calculated based on discounted cash flows.

Interbank and money market items (liabilities)

The carrying amount of interbank and money market items (liabilities) presented in the statement of financial position is the approximated fair value.

Liabilities payable on demand

The carrying amount of liabilities payable on demand presented in the statement of financial position is the approximated fair value.

Debt issued and borrowings

The carrying amount of debt issued and borrowings presented in the statement of financial position is the approximated fair value, except for subordinated and long-term senior securities which fair values are based on the actual market prices and subordinated long-term senior securities and other borrowing of foreign subsidiary which fair value calculated based on discounted cash flows.

Derivatives

The valuation techniques using to determine the fair value of derivatives is dependent on the type of instrument and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards model commonly used by market participants. The data used in the valuation is the observable input e.g. interest rate, forward exchange rate. Credit valuation adjustments are also made against the valuation of derivative products to reflect the possibility that the counterparty may default and the Bank and its subsidiaries may not receive the full market value of the transactions.

7.23 Share capital

7.23.1 Legal reserve

Pursuant to the Public Limited Companies Act, the Bank 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 not less than ten percent of the registered capital. The reserve fund is not available for dividend distribution.

7.23.2 Dividend payment

The Board of Directors' Meeting No. 8/2023 held on August 23, 2023, approved the interim dividend payment for the six-month period ended June 30, 2023 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.40 per share totaling Baht 2,942 million with payment date on September 21, 2023.

The Annual General Meeting of Shareholders No. 111 held on April 27, 2023, approved the dividend payment for the six-month period ended December 31, 2022 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.45 per share totaling Baht 3,310 million with payment date on May 25, 2023.

The Board of Directors' Meeting No. 8/2022 held on August 24, 2022, approved the interim dividend payment for the six-month period ended June 30, 2022 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.40 per share totaling Baht 2,942 million with payment date on September 22, 2022.

The Annual General Meeting of Shareholders No. 110 held on April 28, 2022, approved the dividend payment for the six-month period ended December 31, 2021 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.45 per share totaling Baht 3,310 million with payment date on May 26, 2022.

7.24 Assets with obligations and restrictions

As at December 31, 2023 and 2022, government and state enterprise securities with book value of Baht 31,750 million and Baht 57,554 million, respectively, are used as collateral for other commitments with government departments and state enterprises.

As at December 31, 2023 and 2022, the Bank and its subsidiaries had claim on security amounting to Baht 15,124 million and Baht 7,583 million, respectively.

As at December 31, 2023 and 2022, deposit placement at other bank of subsidiaries with book value of Baht 1,171 million and Baht 1,142 million, respectively, are used as collateral for borrowing.

7.25 Contingencies

Contingencies as at December 31, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Avals to bills	1,111	1,109	1,111	1,109
Guarantees of loans	4,655	2,877	4,655	2,877
Liability under unmatured import bills	2,557	3,109	2,557	3,109
Letters of credit	7,004	7,911	7,004	7,911
Other contingencies				
- Unused overdraft limit	4,198	4,763	4,195	4,756
- Unused credit line	60,153	56,697	59,890	57,721
- Other guarantees	59,006	56,062	59,006	56,062
- Others	18,145	32,294	18,145	32,294
Total	156,829	164,822	156,563	165,839

The Bank and its subsidiaries have entered into a long-term information technology service agreement, which will be expired in 2028 with local companies. As at December 31, 2023 and 2022, the Bank and its subsidiaries have commitments to pay in the amounts of Baht 4,891 million and Baht 784 million, respectively.

As at December 31, 2023 and 2022, the Bank and its subsidiaries have commitments to pay regarding the information technology services and other services in the amount of Baht 2,076 million and Baht 2,200 million, respectively.

As at December 31, 2023 and 2022, the Bank and its subsidiary have commitment payment in the amount of Baht 919 million and Baht 1,571 million as a result of entering to the construction agreement of the office building, respectively.

7.26 Related party transactions

The Bank has business transactions with subsidiaries, associate, joint ventures and related companies. These transactions are with companies that have shareholding and/or joint shareholders and/or directors with the Bank and with related persons. Such loans to related parties have the policy of setting up the allowance for expected credit loss which complies with the BOT regulations same as loans to other debtors.

According to the BOT's Notification Sor.Nor.Sor. 12/2561 regarding the "Regulations on Risk Supervision of Financial Business Group" dated May 22, 2018, the Bank is required to disclose the policy of Inter-Group Transactions in the Financial Business Group and the Risk Management for policy of Inter-Group Transactions in the Financial Business Group as follows:

1. The policy of Inter-Group Transactions in the Financial Business Group

The inter-group transactions shall have the same conditions or criteria, including interest rate or service fee charged, as applied when the Bank conducts the transactions with general customers with the same risk level.

2. The Risk Management policy of Inter-Group Transactions in the Financial Business Group

The Bank manages risk for all inter-group transactions based on the Credit Risk Management policy for the Financial Business Policy which covers the key credit risk management processes, that are credit risk control, credit risk measurement, and credit risk monitoring, in accordance with the Bank's policy and the BOT's requirements.

Related party transactions are as follows:

- 7.26.1 Assets, liabilities and contingencies with key management personnel and the companies in which key management personnel and/or the Bank owned and/or the companies in which key management personnel and/or shareholders of the Bank have significant voting right either directly and indirectly, as at December 31, 2023 and 2022 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

2023

	Interbank and money market items (Assets)	Investment, net	Loans to customers and accrued interest receivables, net	Derivative assets	Premises and equipment, net	Other assets	Deposits and money market items (Liabilities)	Derivative liabilities	Debt issued and borrowings	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company													
MUFG Bank, Ltd.	45,815	-	-	8,006	-	149	147,027	4,503	-	515	5,388	310,517	6,359
Less Allowance for expected credit loss	(9)	-	-	-	-	-	-	-	-	-	-	-	-
Total	45,806	-	-	8,006	-	149	147,027	4,503	-	515	5,388	310,517	6,359
Associate													
Ngern Tid Lor Public Company Limited	-	-	2,602	-	-	4	1,582	81	-	5	-	5,090	6
Less Allowance for expected credit loss	-	-	(1)	-	-	-	-	-	-	-	-	-	-
Total	-	-	2,601	-	-	4	1,582	81	-	5	-	5,090	6
Joint ventures													
SB Finance, Inc.	-	-	-	-	-	3	-	-	-	-	-	-	-
Lotus's Money Services Limited	-	-	7,066	-	-	171	792	-	-	-	3	-	-
Lotus's Life Assurance Broker Limited	-	-	-	-	-	3	290	-	-	-	-	-	-
Lotus's General Insurance Broker Limited	-	-	-	-	-	7	445	-	-	-	5	-	-
Total	-	-	7,066	-	-	184	1,527	-	-	-	8	-	-
Less Allowance for expected credit loss	-	-	(1)	-	-	-	-	-	-	-	-	-	-
Total	-	-	7,065	-	-	184	1,527	-	-	-	8	-	-
Related companies having joint major shareholders or directors													
Less Allowance for expected credit loss	414	61	14,553	265	95	19	27,872	59	265	6	339	11,761	271
Total	-	-	(35)	-	-	-	-	-	-	-	-	-	-
Less Allowance for expected credit loss	414	61	14,518	265	95	19	27,872	59	265	6	339	11,761	271
Total	-	-	417	-	5	11	4,086	-	-	-	1,001	-	-
Less Allowance for expected credit loss	-	-	(6)	-	-	-	-	-	-	-	-	-	-
Total	-	-	411	-	5	11	4,086	-	-	-	1,001	-	-
Total	46,220	61	24,595	8,271	100	367	154,380	4,643	265	526	6,736	327,368	6,636

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

2022

	Interbank and money market items (Assets)	Investment, net	Loans to customers and accrued interest receivables, net	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Debt issued and borrowings	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company														
MUFG Bank, Ltd.	30,329	-	-	9,848	-	139	-	143,084	7,091	-	-	4,151	383,978	5,425
Less: Allowance for expected credit loss	(6)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	30,323	-	-	9,848	-	139	-	143,084	7,091	-	-	4,151	383,978	5,425
Associate														
Ngern Tid Lor Public Company Limited	-	-	3,442	-	1	3	1,890	-	131	-	5	17	6,820	6
Less: Allowance for expected credit loss	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	3,441	-	1	3	1,890	-	131	-	5	17	6,820	6
Joint ventures														
SB Finance, Inc.	-	-	-	-	-	2	-	-	-	-	-	-	-	-
Lotus's Money Services Limited	-	-	5,900	-	-	169	511	-	-	-	-	3	-	-
Lotus's Life Assurance Broker Limited	-	-	-	-	-	4	260	-	-	-	-	-	-	-
Lotus's General Insurance Broker Limited	-	-	-	-	-	7	553	-	-	-	-	3	-	-
Total	-	-	5,900	-	-	182	1,324	-	-	-	-	6	-	-
Less: Allowance for expected credit loss	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	5,899	-	-	182	1,324	-	-	-	-	6	-	-
Related companies having joint major shareholders or directors														
208	59	14,832	229	27	18	24,978	4,108	81	267	5	186	14,106	249	
Less: Allowance for expected credit loss	-	-	(53)	-	-	-	-	-	-	-	-	-	-	-
Total	208	59	14,779	229	27	18	24,978	4,108	81	267	5	186	14,106	249
Individual and related parties														
-	-	-	400	-	7	9	2,241	-	-	-	-	720	-	-
Less: Allowance for expected credit loss	-	-	(7)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	393	-	7	9	2,241	-	-	-	-	720	-	-
Total	30,531	59	24,512	10,077	35	351	30,433	147,192	7,303	267	10	5,080	404,904	5,680

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

2023

	Interbank and money market items (Assets)	Investment, net	Loans to customers and accrued interest receivables, net	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Debt issued and borrowings	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company														
MUFG Bank, Ltd.	45,811	-	-	8,006	-	149	-	141,947	4,500	-	515	5,338	310,069	6,359
Less Allowance for expected credit loss	(9)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	45,802	-	-	8,006	-	149	-	141,947	4,500	-	515	5,338	310,069	6,359
Subsidiaries														
Ayudhya Development Leasing Company Limited	-	-	4,188	-	-	5	3	-	-	-	41	2	-	1
Ayudhya Capital Auto Lease Public Company Limited	-	-	2,636	-	-	485	1,158	-	-	-	-	321	-	1
Ayudhya Capital Services Company Limited	-	-	2,614	-	-	56	3,692	-	-	-	-	29	-	3
General Card Services Limited	-	-	13,116	-	-	41	1,053	-	-	-	-	2	-	-
Krungsriayudhya Card Company Limited	-	-	9,908	-	-	402	1,967	-	-	-	-	20	-	1
Siam Realty and Services Security Company Limited	-	-	-	-	716	2	30	-	-	-	-	814	-	-
Total Services Solutions Public Company Limited	-	-	-	-	-	3	636	-	-	-	-	12	-	-
Krungsri Asset Management Company Limited	-	-	-	-	-	76	-	6,839	-	-	-	55	-	-
Krungsri Ayudhya AMC Limited	-	-	-	-	-	-	2,977	-	-	-	-	8	-	29
Krungsri Securities Public Company Limited	350	-	-	-	-	1	-	2,046	-	-	-	6	-	20
Krungsri Capital Securities Public Company Limited	2,673	-	-	-	-	-	-	8	-	-	-	-	-	-
Krungsri Nimble Company Limited	-	-	-	-	-	3	263	-	-	-	-	113	-	-
Krungsri Genesis Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(formerly Krungsri Life Assurance Broker Limited)	-	-	-	-	-	-	864	-	-	-	-	1	-	-
Krungsri General Insurance Broker Limited	-	-	-	-	-	2	1,129	-	-	-	-	1	-	-
Krungsri Leasing Services Company Limited	-	-	1,283	-	-	-	295	-	-	-	5	-	-	289
Hattha Bank Plc.	518	-	-	69	-	1	-	9	579	-	7	-	13,195	-
Krungsri Innovate Company Limited	-	-	-	-	-	10	214	-	-	-	1	-	-	-
Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd.	-	-	-	-	-	-	8	-	-	-	-	-	-	-
SHBank Finance Company Limited	-	-	1,385	-	-	-	-	-	-	-	5	-	-	1,517

Unit: Million Baht

	Interbank and money market items (Assets)	Investment, net	Loans to customers and accrued interest receivables, net	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Debt issued and borrowings	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Subsidiaries (Continued)														
PT Home Credit Indonesia	-	-	-	-	-	-	-	-	-	-	4	-	-	-
Total	3,541	-	35,130	69	716	1,087	14,289	8,902	579	-	63	1,384	13,195	1,861
Less: Allowance for expected credit loss	(4)	-	(89)	-	-	-	-	-	-	-	-	-	-	-
Total	3,537	-	35,041	69	716	1,087	14,289	8,902	579	-	63	1,384	13,195	1,861
Associate														
Ngern Tid Lor Public Company Limited	-	-	2,601	-	-	4	1,582	-	81	-	5	-	5,090	6
Less: Allowance for expected credit loss	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	2,600	-	-	4	1,582	-	81	-	5	-	5,090	6
Joint ventures														
SB Finance, Inc.	-	-	-	-	-	3	-	-	-	-	-	-	-	-
Lotus's Money Services Limited	-	-	7,066	-	-	11	792	-	-	-	-	3	-	-
Lotus's Life Assurance Broker Limited	-	-	-	-	-	-	290	-	-	-	-	-	-	-
Lotus's General Insurance Broker Limited	-	-	-	-	-	-	445	-	-	-	-	-	-	-
Total	-	-	7,066	-	-	14	1,527	-	-	-	-	3	-	-
Less: Allowance for expected credit loss	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	7,065	-	-	14	1,527	-	-	-	-	3	-	-
Related companies having joint major shareholders or directors														
Less: Allowance for expected credit loss	203	61	14,549	265	-	-	27,872	269	59	-	6	35	11,760	270
Total	-	-	(35)	-	-	-	-	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	203	61	14,514	265	-	-	27,872	269	59	-	6	35	11,760	270
Total	-	-	346	-	-	11	3,890	-	-	-	-	556	-	-
Less: Allowance for expected credit loss	-	-	(4)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	342	-	-	11	3,890	-	-	-	-	556	-	-
Total	49,542	61	59,562	8,340	716	1,265	49,160	151,118	5,219	-	589	7,316	340,114	8,496

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

2022

	Interbank and money market items (Assets)	Investment, net	Loans to customers and accrued interest receivables, net	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Debt issued and borrowings	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company														
MUFG Bank, Ltd.	30,329	-	-	9,848	-	139	-	143,084	7,091	-	-	4,151	383,978	5,425
Less Allowance for expected credit loss	(6)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	30,323	-	-	9,848	-	139	-	143,084	7,091	-	-	4,151	383,978	5,425
Subsidiaries														
Ayudhya Development Leasing Company Limited	-	-	4,306	-	-	3	5	-	-	-	36	2	-	13
Ayudhya Capital Auto Lease Public Company Limited	-	-	2,485	-	-	402	1,360	-	-	-	-	221	-	-
Ayudhya Capital Services Company Limited	-	-	6,818	-	-	69	3,705	-	-	-	-	29	-	3
General Card Services Limited	-	-	12,840	-	-	24	549	-	-	-	-	2	-	-
Krungraiyudhya Card Company Limited	-	-	7,503	-	-	225	885	-	-	-	-	13	-	1
Siam Realty and Services Security Company Limited	-	-	90	-	670	3	57	-	-	-	-	749	-	-
Total Services Solutions Public Company Limited	-	-	-	-	-	3	544	-	-	-	-	16	-	-
Krungrsri Asset Management Company Limited	-	-	-	-	-	75	-	5,898	-	-	-	25	-	-
Krungrsri Ayudhya AMC Limited	-	-	-	-	-	2	2,834	-	-	-	-	22	-	34
Krungrsri Securities Public Company Limited	500	-	-	-	-	10	2	2,894	-	-	-	4	-	-
Krungrsri Nimble Company Limited	-	-	-	-	-	3	259	-	-	-	-	61	-	-
Krungrsri Life Assurance Broker Limited	-	-	-	-	-	-	930	-	-	-	-	-	-	-
Krungrsri General Insurance Broker Limited	-	-	-	-	-	7	847	-	-	-	-	-	-	-
Krungrsri Leasing Services Company Limited	-	-	1,857	-	-	1	340	-	-	-	3	-	-	70
Hattha Bank Plc.	2,437	-	-	-	-	1	-	2	754	-	2	-	11,852	-
Krungrsri Finnovate Company Limited	-	-	-	-	-	6	215	-	-	-	-	-	-	-
Krungrsri Non-Deposit Taking Microfinance Institution Co., Ltd.	-	-	-	-	-	-	5	-	-	-	-	-	-	-
Total	2,937	-	35,899	-	670	834	12,537	8,794	754	-	41	1,144	11,852	121
Less Allowance for expected credit loss	(9)	-	(65)	-	-	-	-	-	-	-	-	-	-	-
Total	2,928	-	35,834	-	670	834	12,537	8,794	754	-	41	1,144	11,852	121

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS (CONTINUED)

2022

	Interbank and money market items (Assets)	Investment, net	Loans to customers and accrued interest receivables, net	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Debt issued and borrowings	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Associate														
Ngern Tid Lor Public Company Limited	-	-	3,440	-	1	3	1,890	-	131	-	5	17	6,820	6
Less: Allowance for expected credit loss	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	3,439	-	1	3	1,890	-	131	-	5	17	6,820	6
Joint ventures														
SB Finance, Inc.	-	-	-	-	-	1	-	-	-	-	-	-	-	-
Lotus's Money Services Limited	-	-	5,900	-	-	11	511	-	-	-	-	3	-	-
Lotus's Life Assurance Broker Limited	-	-	-	-	-	-	260	-	-	-	-	-	-	-
Lotus's General Insurance Broker Limited	-	-	-	-	-	1	553	-	-	-	-	-	-	-
Total	-	-	5,900	-	-	13	1,324	-	-	-	-	3	-	-
Less: Allowance for expected credit loss	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	5,899	-	-	13	1,324	-	-	-	-	3	-	-
Related companies having joint major shareholders or directors														
208	208	59	14,829	229	-	-	24,978	196	81	-	5	11	14,106	249
Less: Allowance for expected credit loss	-	-	(53)	-	-	-	-	-	-	-	-	-	-	-
Total	208	59	14,776	229	-	-	24,978	196	81	-	5	11	14,106	249
-	-	-	326	-	-	9	2,075	-	-	-	-	463	-	-
-	-	-	(5)	-	-	-	-	-	-	-	-	-	-	-
-	-	-	321	-	-	9	2,075	-	-	-	-	463	-	-
33,459	59	60,269	671	10,077	671	998	42,804	152,074	8,057	-	51	5,789	416,756	5,801

As at December 31, 2023 and 2022, the Bank charges interest rates on loan to related parties at 1.00% - 25.00% p.a. and 0.95% - 25.00% p.a., respectively.

7.26.2 The Bank has investments in subsidiaries, associate and joint ventures as disclosed in Note 7.7.

7.26.3 Income and expenses between the Bank and its subsidiaries, associate, joint ventures and related companies for the years ended December 31, 2023 and 2022 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	2023				2022			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
MUFG Bank, Ltd.	-	(899)	7,280	327	-	4,465	3,018	349
Total	-	(899)	7,280	327	-	4,465	3,018	349
Associate								
Ngern Tid Lor Public Company Limited	29	(19)	3	(1)	277	(44)	2	1
Total	29	(19)	3	(1)	277	(44)	2	1
Joint ventures								
Lotus's Money Services Limited	187	522	2	(11)	85	477	1	(10)
Lotus's Life Assurance Broker Limited	-	17	1	-	-	17	-	-
Lotus's General Insurance Broker Limited	-	41	2	1	-	41	1	1
Total	187	580	5	(10)	85	535	2	(9)
Related companies having joint major shareholders or directors								
	378	283	664	396	299	151	308	329
Individual and related parties								
	16	9	26	27	14	4	21	28
Total	610	(46)	7,978	739	675	5,111	3,351	698

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

	2023				2022			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
MUFG Bank, Ltd.	-	(899)	7,200	321	-	4,465	3,018	343
Total	-	(899)	7,200	321	-	4,465	3,018	343
Subsidiaries								
Ayudhya Development Leasing Company Limited	135	19	-	(8)	121	20	-	(7)
Ayudhya Capital Auto Lease Public Company Limited	48	1,838	11	993	24	1,563	5	949
Ayudhya Capital Services Company Limited	128	331	16	(74)	189	308	3	(76)
General Card Services Limited	311	64	2	(7)	172	29	1	(8)
Krungsriayudhya Card Company Limited	120	171	4	168	50	111	1	159
Siam Realty and Services Security Company Limited	1	15	14	513	2	14	10	515
Total Services Solutions Public Company Limited	-	3	3	46	-	3	1	44
Krungsri Asset Management Company Limited	-	789	36	7	-	829	22	8
Krungsri Ayudhya AMC Limited	-	8	11	(4)	-	9	3	(4)
Krungsri Securities Public Company Limited	12	33	15	(1)	2	28	8	(1)
Krungsri Capital Securities Public Company Limited	49	2	-	-	-	-	-	-
Krungsri Nimble Company Limited	-	21	1	4	-	17	-	6
Krungsri Genesis Company Limited (formerly Krungsri Life Assurance Broker Limited)	-	-	4	-	-	2	1	-
Krungsri General Insurance Broker Limited	-	13	3	-	-	8	1	-
Krungsri Leasing Services Company Limited	123	-	6	-	179	-	5	-
Hattha Bank Plc.	77	85	-	-	103	(789)	-	-
Krungsri Finnivate Company Limited	-	35	1	-	-	21	-	-
SHBank Finance Company Limited	55	-	-	-	-	-	-	-
HC Consumer Finance Philippines, Inc.	35	-	-	-	-	-	-	-
Total	1,094	3,427	127	1,637	842	2,173	61	1,585
Associate								
Ngern Tid Lor Public Company Limited	29	(32)	3	(1)	277	(71)	2	1
Total	29	(32)	3	(1)	277	(71)	2	1
Joint ventures								
Lotus's Money Services Limited	187	38	2	(11)	85	14	1	(10)
Lotus's Life Assurance Broker Limited	-	3	1	-	-	3	-	-
Lotus's General Insurance Broker Limited	-	15	2	1	-	15	1	1
Total	187	56	5	(10)	85	32	2	(9)
Related companies having joint major shareholders or directors								
	377	215	173	243	299	83	48	222
Individual and related parties								
	16	9	26	27	14	4	21	28
Total	1,703	2,776	7,534	2,217	1,517	6,686	3,152	2,170

7.26.4 For the year ended December 31, 2022, the Bank entered into an agreement to sell non-performing loans (NPLs) to a related company with a net book value at the transfer date of Baht 967 million.

7.26.5 For the years ended December 31, 2023 and 2022, compensations paid to key management personnel under TAS 24 “Related Party Disclosures” are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Short-term employee benefits	2,091	1,731	1,163	1,062
Post-employment benefits	59	58	37	37
Other long-term benefits	1	1	1	1
Total	<u>2,151</u>	<u>1,790</u>	<u>1,201</u>	<u>1,100</u>

7.26.6 For the years ended December 31, 2023 and 2022, there were a related party transaction among subsidiaries regarding dividend payment of Baht 203 million and Baht 110 million, respectively.

7.26.7 For the years ended December 31, 2023 and 2022, related party transactions among subsidiaries included collection services and other services of Baht 845 million and Baht 829 million, respectively, and office and vehicle rental and facilities service of Baht 55 million and Baht 52 million, respectively.

7.26.8 For the years ended December 31, 2023 and 2022, subsidiaries had related party transactions to provide the information technology services of Baht 9 million and Baht 10 million, respectively.

For the years ended December 31, 2023 and 2022, a subsidiary had related party transactions with the Bank to provide the information technology services of Baht 378 million and Baht 296 million, respectively.

7.26.9 For the years ended December 31, 2023 and 2022, related party transactions among subsidiaries from other services were Baht 1,777 million and Baht 1,686 million, respectively.

7.26.10 For the years ended December 31, 2023 and 2022, subsidiaries had loan and accrued interest receivable of Baht 23 million and Baht 20 million, respectively, and recognized interest income of Baht 2 million and Baht 2 million, respectively.

7.26.11 For the years ended December 31, 2023 and 2022, the Bank had the expected credit loss of loans granted and loan commitments and financial guarantee contracts to subsidiaries, associate and joint ventures are as follows:

	Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022
Subsidiaries	40	16
Associate and Joint ventures	-	2
Total	<u>40</u>	<u>18</u>

- 7.26.12 For the year ended December 31, 2022, a subsidiary had sold investment in equity securities measured at fair value through other comprehensive income to related company who operates fund of Baht 163 million. The subsidiary had recognized gain on sale of such investments in retained earnings of Baht 80 million.
- 7.26.13 The Extraordinary General Meeting of Shareholders No. 1/2013, held on October 31, 2013, approved the integration of the Bank and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU's Bangkok Branch) by acquisition of the business of BTMU's Bangkok Branch and the entering into a Conditional Branch Purchase Agreement between the Bank as transferee and MUFG Bank, Ltd. (MUFG) as transferor and other related agreements which are asset acquisition and connected transactions.

From the date of the business transfer of BTMU's Bangkok Branch under the Conditional Branch Purchase Agreement, MUFG shall provide various services to the Bank as agreed between the Bank and MUFG prior to the transfer. Such services shall include existing services provided by MUFG to BTMU's Bangkok Branch and other services as necessary and appropriate to ensure continued service to BTMU's Bangkok Branch's customers after the transfer of the assets. The Bank and MUFG will also enter into a Master Service Agreement to provide various services to the Bank which will include but not be limited to (a) General Services Agreement (b) Trademark License Agreement (c) Software License Agreement (d) Other ancillary agreements as may be agreed between the parties under the Master Service Agreement.

From the date of the business transfer of BTMU's Bangkok Branch under the Conditional Branch Purchase Agreement until (1) the lapse of 10 years from the date of the transfer or (2) the date MUFG holds shares in the Bank less than 50 percent of all issued shares (whichever occurs later), the Bank may request for MUFG to provide funding assistance to the Bank and MUFG shall use its best efforts to provide such funding assistance after confirming that: (a) the price and condition for the funding assistance is on an Arm's Length Basis and is beneficial to both parties; (b) such funding assistance is aligned with the Bank's Asset and Liability Policy and Funding Policy; (c) such funding assistance complies with the legal requirements (including tax concerning transfer pricing). If MUFG agrees to provide funding assistance as requested by the Bank, the parties shall further agree on the type, amount, tenor and interest rate of such assistance.

On January 5, 2015, the Bank has entered into the borrowing agreement with MUFG under (1) Uncommitted Revolving Facility or (2) Interbank and Money Market Facility.

On November 30, 2021, the Bank has entered into the Uncommitted Term Loan Credit Facility Agreement with MUFG under Uncommitted Non-Revolver Facility.

7.27 Management compensation

The Bank and its subsidiaries have no special benefits given to the directors and executive officers beyond the general benefits made as usual, including contingency benefits from employment compensation agreements and other benefits for those persons.

The Bank and its subsidiaries did not sell, give, or lease any properties to directors, executive officers, or their related parties, or did not purchase or lease any assets from those persons, except, for the years ended December 31, 2023 and 2022, the subsidiary had sold assets to managements in the amount of Baht 2 million and Baht 8 million with the book value of Baht 1 million and Baht 6 million, respectively.

7.28 Lease liabilities

Lease liabilities as at December 31, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Within one year	1,124	786	958	866
Over one year to five years	1,973	782	1,780	919
Over five years	365	440	307	390
Total	<u>3,462</u>	<u>2,008</u>	<u>3,045</u>	<u>2,175</u>

7.29 Operating segments

The business segment results are prepared based on the Bank and its subsidiaries' internal management reporting which reflects the organizational management structure. The operating results by business segment provided to Chief Operating Decision Maker to make decision about resources allocations, and assess the performance of operating segments. The operating segment results are measured in accordance with Thai Financial Reporting Standards, which are also adjusted in accordance with internal management accounting rules and practices. Amounts for each business segment are shown after the allocation of certain centralized costs, income from investment, and the application of transfer pricing, where appropriate. Transactions between segments are recorded on the same basis as the transaction conducted with the third party. Transactions between segments are eliminated on consolidation.

The business segments are described below:

Retail: provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, bill of exchange, housing loan, credit cards, personal loans and sale finance loans, hire-purchase and leasing, wealth management and bancassurance products.

Commercial: provides financial services and products to institutional clients including corporate, small and medium-sized businesses and financial institutions. Products and services comprise the full range of credit facilities from short term working capital, cash management, trade finance, transactional banking, advisory services, and treasury and money markets products.

Others: encompasses other income and expenses generating activities that are not attributed to the business segments described above.

During the years ended December 31, 2023 and 2022, no revenue from transactions with a single external customer or counter party amounted to 10% or more of the Bank and its subsidiaries' total revenue.

Operating segment by businesses for the years ended December 31, 2023 and 2022 are as follows:

Unit: Million Baht					
CONSOLIDATED FINANCIAL STATEMENTS					
	2023				
	Retail	Commercial	Others	Elimination	Total
Interest income, net	68,110	30,136	1,288	(144)	99,390
Other operating income	31,933	8,465	4,457	(5,297)	39,558
Total operating income	100,043	38,601	5,745	(5,441)	138,948
Operating expenses	46,543	12,355	7,976	(5,039)	61,835
Expected credit loss (reversal)	32,450	2,153	1,053	(39)	35,617
Profit (loss) before tax	21,050	24,093	(3,284)	(363)	41,496
Taxation	4,061	4,767	(458)	(6)	8,364
Net profit (loss)	16,989	19,326	(2,826)	(357)	33,132

Unit: Million Baht					
CONSOLIDATED FINANCIAL STATEMENTS					
	2022				
	Retail	Commercial	Others	Elimination	Total
Interest income, net	57,305	26,386	36	51	83,778
Other operating income	27,068	7,978	1,656	(4,064)	32,638
Total operating income	84,373	34,364	1,692	(4,013)	116,416
Operating expenses	37,794	11,255	6,563	(4,577)	51,035
Expected credit loss (reversal)	24,534	2,135	(2)	(15)	26,652
Profit (loss) before tax	22,045	20,974	(4,869)	579	38,729
Taxation	4,394	4,128	(683)	-	7,839
Net profit (loss)	17,651	16,846	(4,186)	579	30,890

Unit: Million Baht					
CONSOLIDATED FINANCIAL STATEMENTS					
	Retail	Commercial	Others	Elimination	Total
Total assets					
As at December 31, 2023	1,126,273	1,777,006	29,385	(164,369)	2,768,295
As at December 31, 2022	1,023,355	1,721,621	25,974	(133,999)	2,636,951

7.30 Position and results of operations classified by domestic and foreign business

(1) Position classified by type of business

Position classified by domestic and foreign business as at December 31, 2023 and 2022 are as follows:

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
		2023		2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Total assets	2,615,278	153,017	2,768,295	2,547,721	89,230	2,636,951
Interbank and money market items, net (Assets)	487,487	20,487	507,974	449,298	11,622	460,920
Financial assets measured at fair value through profit or loss	1,740	-	1,740	998	-	998
Investments, net*	147,806	653	148,459	161,228	519	161,747
Loans to customers and accrued interest receivable, net	1,840,487	102,213	1,942,700	1,805,006	68,485	1,873,491
Deposits	1,798,619	40,982	1,839,601	1,767,520	37,172	1,804,692
Interbank and money market items (Liabilities)	271,361	52,635	323,996	270,084	19,893	289,977
Debt issued and borrowings	96,333	7,884	104,217	89,632	8,567	98,199

*Includes investments in subsidiaries, associate and joint ventures, net

Unit: Million Baht						
THE BANK'S FINANCIAL STATEMENTS						
		2023		2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Total assets	2,521,172	3,699	2,524,871	2,447,742	3,169	2,450,911
Interbank and money market items, net (Assets)	486,945	2,228	489,173	450,409	1,371	451,780
Financial assets measured at fair value through profit or loss	623	-	623	-	-	-
Investments, net*	215,925	-	215,925	205,750	-	205,750
Loans to customers and accrued interest receivable, net	1,700,508	1,297	1,701,805	1,678,383	1,625	1,680,008
Deposits	1,812,908	2,811	1,815,719	1,780,057	2,129	1,782,186
Interbank and money market items (Liabilities)	270,713	567	271,280	272,128	577	272,705
Debt issued and borrowings	78,233	-	78,233	67,367	-	67,367

*Includes investments in subsidiaries, associate and joint ventures, net

(2) Results of operations classified by business

Results of operations classified by domestic and foreign business for years ended December 31, 2023 and 2022 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

	2023			2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Interest income	117,977	21,274	139,251	95,433	9,995	105,428
Interest expenses	33,751	6,110	39,861	17,757	3,893	21,650
Net interest income	84,226	15,164	99,390	77,676	6,102	83,778
Fees and service income, net	17,681	3,150	20,831	16,640	305	16,945
Other operating income	18,022	705	18,727	15,925	(232)	15,693
Other operating expenses	53,072	8,763	61,835	48,068	2,967	51,035
Profit from operating before expected credit loss and income tax	66,857	10,256	77,113	62,173	3,208	65,381

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

	2023			2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Interest income	94,942	111	95,053	72,167	142	72,309
Interest expenses	33,354	61	33,415	17,417	56	17,473
Net interest income	61,588	50	61,638	54,750	86	54,836
Fees and service income, net	7,234	12	7,246	6,880	13	6,893
Other operating income	14,410	90	14,500	12,913	2	12,915
Other operating expenses	37,602	36	37,638	34,409	36	34,445
Profit from operating before expected credit loss and income tax	45,630	116	45,746	40,134	65	40,199

Income and expenses between the head office and branches or inter-branches are determined by the head office at the rate which approximates actual cost.

7.31 Interest income

Interest income for the years ended December 31, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Interbank and money market items	10,456	3,475	10,475	3,556
Investment and trading transactions	39	9	39	9
Investment in debt securities	1,788	1,419	1,610	1,395
Loans to customers				
- Amortized cost	89,377	67,696	53,981	40,294
- Fair value through other comprehensive income	3,690	-	-	-
Hire purchase and finance lease	33,731	32,748	28,792	26,974
Others	170	81	156	81
Total interest income	<u>139,251</u>	<u>105,428</u>	<u>95,053</u>	<u>72,309</u>

7.32 Interest expenses

Interest expenses for the years ended December 31, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Deposits	20,987	10,733	18,462	8,686
Interbank and money market items	6,722	3,335	3,812	2,013
Contributions to Financial Institution Development Fund and Deposit Protection Agency	8,052	4,088	8,052	4,088
Debt issued and borrowings				
- Subordinated debenture	2,378	2,299	2,330	2,249
- Others	1,186	1,022	285	293
Others	536	173	474	144
Total interest expenses	<u>39,861</u>	<u>21,650</u>	<u>33,415</u>	<u>17,473</u>

On November 1, 2021, the BOT announced to extend the temporary reduction of the rate of contributions to Financial Institution Development Fund (FIDF) from 0.46% per year to 0.23% per year to the end of 2022.

7.33 Fees and service income, net

Fees and service income, net for the years ended December 31, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Fees and service income				
- Acceptances, aval and guarantees	517	487	527	488
- Others	28,695	23,750	12,917	11,924
Total fees and service income	29,212	24,237	13,444	12,412
Fees and service expenses	8,381	7,292	6,198	5,519
Total fees and service income, net	20,831	16,945	7,246	6,893

7.34 Gains on financial instruments measured at fair value through profit or loss, net

Gains on financial instruments measured at fair value through profit or loss for the years ended December 31, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Gains (losses) on trading and foreign exchange transactions				
- Foreign currency and derivative of currency	5,593	3,378	5,469	3,753
- Derivative of interest rates	348	1,293	383	1,359
- Debt securities	(39)	(69)	(35)	(70)
- Equity securities	(170)	127	-	-
Total	5,732	4,729	5,817	5,042
Gains on financial instruments designated at FVTPL				
- Net change in fair value of other	-	11	-	-
Gains (losses) on hedge accounting	(95)	(7)	(24)	(11)
Total	5,637	4,733	5,793	5,031

7.35 Losses on investments, net

Losses on investments, net for the years ended December 31, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Losses on derecognition of investments				
- Debt securities measured at FVOCI	-	(40)	-	(40)
	-	(40)	-	(40)
Losses on impairments				
- Investments in subsidiaries	-	-	(1,317)	(82)
Total	-	(40)	(1,317)	(122)

7.36 Expected credit loss

Expected credit loss (reversal) for the years ended December 31, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Interbank and money market items	319	55	305	65
Investment in debt securities measured at FVOCI (reversal)	(15)	(12)	(1)	(12)
Investment in debt securities measured at amortized cost	2	-	-	-
Loans to customers and accrued interest receivable				
- Amortized cost	33,705	27,354	15,295	17,561
- Fair value through other comprehensive income	1,630	-	-	-
Loan commitments and financial guarantees (reversal)	(24)	(745)	(30)	(527)
Total	35,617	26,652	15,569	17,087

7.37 Income tax expenses

Income tax expenses for the years ended December 31, 2023 and 2022 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Current tax for the years	9,290	7,466	5,971	4,034
Deferred tax	(926)	373	(386)	(6)
Total income tax expenses	<u>8,364</u>	<u>7,839</u>	<u>5,585</u>	<u>4,028</u>

Unit: Million Baht

Reconciliation of effective income tax rate

	CONSOLIDATED FINANCIAL STATEMENTS				THE BANK'S FINANCIAL STATEMENTS			
	2023		2022		2023		2022	
	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)
Profit before tax	<u>41,496</u>		<u>38,728</u>		<u>30,177</u>		<u>23,112</u>	
Income tax at the domestic tax rate	8,299	20.00	7,746	20.00	6,036	20.00	4,622	20.00
<u>Add</u> Tax effect of income and expense								
that are not exempt for tax purposes	1,048	2.53	891	2.30	290	0.96	48	0.21
<u>Less</u> Tax effect of income and expense								
that are exempt for tax purposes	<u>(983)</u>	<u>(2.37)</u>	<u>(798)</u>	<u>(2.06)</u>	<u>(741)</u>	<u>(2.45)</u>	<u>(642)</u>	<u>(2.78)</u>
Income tax expenses as per statements of profit or loss and other comprehensive income	<u>8,364</u>	<u>20.16</u>	<u>7,839</u>	<u>20.24</u>	<u>5,585</u>	<u>18.51</u>	<u>4,028</u>	<u>17.43</u>

7.38 Income tax relating to components of other comprehensive income

Income tax relating to components of other comprehensive income for the years ended December 31, 2023 and 2022 are as follows:

	Unit: Million Baht					
	CONSOLIDATED FINANCIAL STATEMENTS					
	2023			2022		
	Amount before tax	Tax income (expenses)	Net amount after tax	Amount before tax	Tax income (expenses)	Net amount after tax
Item that will be reclassified subsequently to profit or loss						
Gains (losses) on investment in debt instruments at FVOCI	90	(26)	64	(1,402)	280	(1,122)
Gains (losses) on hedges	348	(39)	309	92	(114)	(22)
Gains (losses) arising from translating the financial statements of foreign operation	(847)	-	(847)	208	3	211
Share of other comprehensive income of associate and joint venture	(12)	-	(12)	(61)	-	(61)
Item that will not be reclassified subsequently to profit or loss						
Change in assets revaluation surplus	2,756	(551)	2,205	-	-	-
Gains (losses) on investment designated at FVOCI	(947)	192	(755)	(1,092)	218	(874)
Actuarial gains (losses) on defined benefit plans	(114)	24	(90)	1,006	(201)	805
Share of other comprehensive income of associate and joint venture	(12)	-	(12)	7	-	7
Total other comprehensive income, net	1,262	(400)	862	(1,242)	186	(1,056)

	Unit: Million Baht					
	THE BANK'S FINANCIAL STATEMENTS					
	2023			2022		
	Amount before tax	Tax income (expenses)	Net amount after tax	Amount before tax	Tax income (expenses)	Net amount after tax
Item that will be reclassified subsequently to profit or loss						
Gains (losses) on investment in debt instruments at FVOCI	(68)	14	(54)	(1,402)	280	(1,122)
Gains (losses) on hedges	467	(93)	374	(97)	19	(78)
Item that will not be reclassified subsequently to profit or loss						
Change in assets revaluation surplus	2,756	(551)	2,205	-	-	-
Gains (losses) on investment designated at FVOCI	(807)	161	(646)	(653)	131	(522)
Actuarial gains (losses) on defined benefit plans	(202)	40	(162)	810	(162)	648
Total other comprehensive income, net	2,146	(429)	1,717	(1,342)	268	(1,074)

7.39 Events after the reporting period

On February 28, 2024, the Board of Directors Meeting of the Bank approved to propose for the shareholders' approval of the dividend payment for the six-month period ended December 31, 2023 to the shareholders at Baht 0.45 per share, aggregating with the interim dividend payment for the six-months period ended June 30, 2023 which the Bank paid in September 2023 at the rate of THB 0.40 per share, the total dividend payment for the performance of the year 2023 is THB 0.85 per share. This resolution will be proposed for approval by the Annual General Meeting of the Shareholders of the Bank on April 25, 2024.

7.40 COVID-19

As the situation COVID-19 Pandemic continues to make a widespread impact to all businesses including large corporation, small and medium enterprise, and retail consumer, Bank of Thailand with collaboration with relevant regulators and stake holders issued the series guideline of loan classification and provision for enterprises that support the relief measures to customers who were affected from COVID-19 in order to promote the timely support to customers and general economy. The latest guidelines for debt restructuring for customer who get impact from COVID-19 includes BOT circular letter No. 802/2564 dated September 3, 2021 and Federal of Accountant Profession guideline on accounting treatment guidance No. 37/2564 dated December 22, 2021.

During the year ended December 31, 2023, the Bank and its subsidiaries perform loan classification and provisioning based on the aforementioned guideline, which has details as follows:

1. For debt restructuring that help reduce the debt burden to customers other than term extension
 - The relief support given to Non-NPL customers: The Bank and its subsidiaries classify customer to performing stage if it has already been analysed and assessed that customers are able to comply with the new terms and conditions.
 - The relief support given to NPL customers: The Bank and its subsidiaries classify customers to performing stage if customers can comply with the new terms and conditions for consecutively 3 months or 3 payments, whichever period is longer.

However, the Bank and its subsidiaries may classify loan to be more conservative than the above guideline based on the qualitative consideration of customer conditions.

In case the original effective interest rate (EIR) does not longer reflect the expected cash flow as a result of debt restructuring process, the Bank and its subsidiaries use new EIR as a discount factor to calculate the present value of loan under debt restructuring.

2. For debt restructuring that are given only term extension, the classification and provisioning will follow the normal treatment as per BOT notification on debt classification and provisioning.

On risk management of debt restructuring portfolio, the Bank and its subsidiaries closely monitor customer's ability to make a payment under new term and conditions to assess the potential impact to future credit losses. The Bank and its subsidiaries reflect the uncertainties under COVID-19 and other economic conditions through the additional provision in the form of management overlay to cover the potential credit losses that may arise in the future.

As of December 31, 2023, the loans outstanding under the relief measure program accounted for approximately Baht 118.9 billion, of which 15.4% is granted to Corporate segment, 48.3% is granted to SME and Business Banking segment, and 36.3% is granted to Retail segment. For SMEs, additional credit lines of Baht 22.67 billion were offered to 5,048 SME customers to support their liquidity requirement under the Bank of Thailand's soft loan and special rehabilitation loan programs and the Government Savings Bank's soft loan program.

7.41 Approval of financial statements

These financial statements have been approved for issue by the Board of Directors on February 28, 2024.

ATTACHMENT 1: DETAILS OF DIRECTORS, EXECUTIVES, PERSONS WITH MANAGERIAL AUTHORITY, THE PERSON TAKING THE HIGHEST RESPONSIBILITY IN FINANCE AND ACCOUNTING, PERSON HAVING ACCOUNTING CONTROL, AND CORPORATE SECRETARY

(INFORMATION AS OF DECEMBER 31, 2023)

BOARD OF DIRECTORS



1.

Mr. Noriaki Goto

- Chairman
- Independent Director



2.

Dr. Jamlong Atikul

- Vice Chairman
- Independent Director
- Chairman of the Nomination and Remuneration Committee
- Audit Committee Member



3.

Mr. Kenichi Yamato

- Director (Authorized Signatory)
- President and Chief Executive Officer
- Chairman of the Executive Committee



4.

Mrs. Tongurai Limpiti

- Independent Director
- Chairman of the Audit Committee



5.

Dr. Wittaya Watcharawittayakul

- Independent Director
- Audit Committee Member



6.

Mr. Jiro Omori

- Non-Executive Director
- Risk and Compliance Committee Member



7.

Mr. Virat Phairatphiboon

- Non-Executive Director
- Chairman of the Risk and Compliance Committee
- Nomination and Remuneration Committee Member



8.

Professor Dr. Sakda Thanitcul

- Independent Director
- Audit Committee Member



9.

Miss Nopporn Tirawattanagool

- Non-Executive Director
- Nomination and Remuneration Committee Member
- Risk and Compliance Committee Member



10.

Mr. Masakazu Osawa

- Non-Executive Director
- Nomination and Remuneration Committee Member



11.

Mr. Pornsanong Tuchinda

- Non-Executive Director
- Risk and Compliance Committee Member



12.

Miss Duangdao Wongpanitkrit

- Director (Authorized Signatory)
- Chief Financial Officer
- First Executive Vice President, Finance Group
- Executive Committee Member

ADVISOR



13.

Mr. Karun Kittisataporn

- Advisor

1 Mr. Noriaki Goto

- Chairman
- Independent Director

Age: 61 years

Nationality: Japanese

Years of directorship: - year 5 months (Jul 2023 – Present),
7 years 6 months (Jan 2014 – Jun 2021)

Education and training:

- Master of Business Administration, Graduate School of Business, The University of Chicago, Illinois, USA
- Bachelor of Arts, School of Law, Waseda University, Tokyo, Japan
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Seminar on 'CyberSecurity Awareness Training for Senior Executive', Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on 'Cyber Resilience Leadership', Year 2017
- IT Security Trend Update, Year 2018
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- IT Security Awareness, Virtual Training, Year 2020
- ESG: Topic 1 'Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand' (Session 1-2), Year 2023
- ESG: Topic 2 'New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure)', Year 2023
- ESG: Topic 3 'Transition Finance: Commercial Banks' Decarbonization Pathway & MUFG's Case Study – Transition Whitepaper', Year 2023

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP-English), Year 2015

Current positions:

• Positions in Bank of Ayudhya PCL:

Jul 25, 2023 – Present	Chairman
Jul 25, 2023 – Present	Independent Director

• Positions in other listed companies: None

• Positions in non-listed companies/organizations (Two organizations):

Aug 21, 2023 – Present	Chairman, Krungsri Foundation
Jun 2022 – Present	The President of the group companies (i.e., Sotsu Corporation, Naigai Kensetsu Corporation and Sotsu Amenity Service Corporation), Sotsu Group, Tokyo, Japan
Jun 2022 – Present	Representative Director of the group companies (i.e., Sotsu Corporation, Naigai Kensetsu Corporation and Sotsu Amenity Service Corporation), Sotsu Group, Tokyo, Japan

Work experiences (in the last five years):

Jun 2021 – Jun 2022	Deputy President and Representative Director, Sotsu Corporation, Tokyo, Japan
Apr 2020 – Jun 2021	Managing Executive Officer, Group Deputy COO-I, Deputy Group Head, Global Commercial Banking Business Group, Regional Executive for Asia Pacific, Mitsubishi UFJ Financial Group, Inc.
May 2019 – Mar 2020	Managing Executive Officer, Regional Executive for Asia, Mitsubishi UFJ Financial Group, Inc.
Apr 2020 – Jun 2021	Senior Managing Executive Officer, Deputy COO-I, Deputy Chief Executive, Global Commercial Banking Business Unit, Regional Executive for Asia Pacific, MUFG Bank, Ltd.
May 2019 – Mar 2020	Senior Managing Executive Officer, Regional Executive for Asia, MUFG Bank, Ltd.
May 15, 2019 – Jun 9, 2021	Vice Chairman, Bank of Ayudhya PCL
May 15, 2019 – Jun 9, 2021	Nomination and Remuneration Committee Member, Bank of Ayudhya PCL
Jan 2, 2014 – Jun 9, 2021	Director (Authorized Signatory), Bank of Ayudhya PCL
Jan 5, 2015 – May 14, 2019	President and Chief Executive Officer, Bank of Ayudhya PCL
Jan 2, 2014 – May 14, 2019	Chairman of the Executive Committee, Bank of Ayudhya PCL
Jan 2, 2014 – Jan 4, 2015	Chief Executive Officer, Bank of Ayudhya PCL
Jan 16, 2017 – Jan 15, 2020	Vice Chairman, Secretary and Treasurer, Krungsri Foundation

% Shareholding as of the latest record date on September 7, 2023 (including spouse and minor children): None

Family relationship with directors and executives: None

2

Dr. Jamlong Atikul

- Vice Chairman
- Independent Director
- Chairman of the Nomination and Remuneration Committee
- Audit Committee Member

Age: 75 years

Nationality: Thai

Years of directorship: 5 years 1 month

Education and training:

- Ph.D. in City and Regional Planning, Cornell University, USA
- Master of Commerce in Economics, University of Auckland, New Zealand
- Bachelor of Commerce and Administration in Economics, Victoria University of Wellington, New Zealand
- IT Security Trend Update, Year 2018
- IT Governance & Cyber Resilience, Year 2019
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- IT Security Awareness, Virtual Training, Year 2020
- Bangkok FinTech Fair 2021 'Shaping Digital Finance in the New Decade', Year 2021
- ESG: Topic 1 'Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand' (Session 1-2), Year 2023
- ESG: Topic 2 'New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure)', Year 2023
- ESG: Topic 3 'Transition Finance: Commercial Banks' Decarbonization Pathway & MUFG's Case Study – Transition Whitepaper', Year 2023

Training and seminar held by Thai Institute of Directors Association (IOD):

- Role of the Chairman Program (RCP), Year 2011
- Director Accreditation Program (DAP), Year 2006
- Director Certification Program (DCP), Year 2006

Current positions:**Positions in Bank of Ayudhya PCL:**

Mar 2, 2023 – Present	Vice Chairman
Jul 1, 2019 – Present	Chairman of the Nomination and Remuneration Committee
Nov 1, 2018 – Jun 30, 2019	Nomination and Remuneration Committee Member
Nov 1, 2018 – Present	Independent Director
Nov 1, 2018 – Present	Audit Committee Member

Positions in other listed companies (Two companies):

Jun 13, 2019 – Present	Chairman, Allianz Ayudhya Capital PCL
Jun 13, 2019 – Present	Independent Director, Allianz Ayudhya Capital PCL
2013 – Present	Chairman (Authorized Signatory), Regional Container Lines PCL
2006 – Present	Director, Regional Container Lines PCL

Positions in non-listed companies/organizations: None

Work experiences (in the last five years): None

% Shareholding as of the latest record date on September 7, 2023 (including spouse and minor children): None

Family relationship with directors and executives: None

3

Mr. Kenichi Yamato

- Director (Authorized Signatory)
- President and Chief Executive Officer
- Chairman of the Executive Committee

Age: 55 years

Nationality: Japanese

Years of directorship: - year 7 months

Education and training:

- Bachelor of Economics, The University of Tokyo, Tokyo, Japan
- ESG: Topic 1 'Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand' (Session 1-2), Year 2023
- ESG: Topic 2 'New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure)', Year 2023
- ESG: Topic 3 'Transition Finance: Commercial Banks' Decarbonization Pathway & MUFG's Case Study – Transition Whitepaper', Year 2023

Training and seminar held by Thai Institute of Directors Association (IOD): None**Current positions:****Positions in Bank of Ayudhya PCL:**

May 15, 2023 – Present	President and Chief Executive Officer
May 15, 2023 – Present	Director (Authorized Signatory)
May 15, 2023 – Present	Chairman of the Executive Committee

Positions in other listed companies: None**Positions in non-listed companies/organizations:** None**Work experiences (in the last five years):**

Jun 2022 – Jul 6, 2023	Chairman of the Board, MUFG Bank (China), Ltd., MUFG Bank, Ltd. (Tokyo, Japan)
Jun 2022 – Apr 2023	Member of the Board of Directors, Managing Executive Officer, MUFG Bank, Ltd. (Tokyo, Japan)
Jun 2022 – Apr 2023	Chief Executive, Global Commercial Banking Business Unit, Deputy COO-I, MUFG Bank, Ltd. (Tokyo, Japan)
Jun 2022 – Apr 2023	Regional Executive for Asia, MUFG Bank, Ltd. (Tokyo, Japan)
Apr – Jun 2022	Managing Executive Officer, MUFG Bank, Ltd. (Tokyo, Japan)
Apr – Jun 2022	Chief Executive, Global Commercial Banking Business Unit, Deputy COO-I, MUFG Bank, Ltd. (Tokyo, Japan)
Apr – Jun 2022	Regional Executive for Asia and China, MUFG Bank, Ltd. (Tokyo, Japan)
Apr – Jun 2022	Member of the Board of Directors, President, MUFG Bank (China), Ltd., MUFG Bank, Ltd. (Tokyo, Japan)
Aug 2019 – Mar 2022	Executive Officer, MUFG Bank, Ltd. (Tokyo, Japan)
Aug 2019 – Mar 2022	Regional Executive for China, MUFG Bank, Ltd. (Tokyo, Japan)

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Mrs. Tongurai Limpiti

- Independent Director
- Chairman of the Audit Committee

Aug 2019 – Mar 2022	Member of the Board of Directors, President, MUFG Bank (China), Ltd., MUFG Bank, Ltd. (Tokyo, Japan)
May – Aug 2019	Executive Officer, MUFG Bank, Ltd. (Tokyo, Japan)
May – Aug 2019	Managing Director, Head of Hong Kong, MUFG Bank, Ltd. (Tokyo, Japan)
May – Aug 2019	General Manager of Hong Kong Branch, MUFG Bank, Ltd. (Tokyo, Japan)
May – Aug 2019	Managing Director, Head of Japanese Corporate Banking Division for Asia, MUFG Bank, Ltd. (Tokyo, Japan)
Jul 2018 – May 2019	Executive Officer, MUFG Bank, Ltd. (Tokyo, Japan)
Jul 2018 – May 2019	Managing Director, Head of Hong Kong, MUFG Bank, Ltd. (Tokyo, Japan)
Jul 2018 – May 2019	General Manager of Hong Kong Branch, MUFG Bank, Ltd. (Tokyo, Japan)
Jul 2018 – May 2019	Managing Director, Co-Head of Japanese Corporate Banking Division for Asia, MUFG Bank, Ltd. (Tokyo, Japan)
Apr 2022 – Apr 2023	Managing Corporate Executive, Mitsubishi UFJ Financial Group, Inc., Tokyo, Japan
Apr 2022 – Apr 2023	Group Head, Global Commercial Banking Business Group, Mitsubishi UFJ Financial Group, Inc., Tokyo, Japan
Apr 2022 – Apr 2023	Group Deputy COO-I, Mitsubishi UFJ Financial Group, Inc., Tokyo, Japan
Apr 2022 – Apr 2023	Regional Executive for Asia, Mitsubishi UFJ Financial Group, Inc., Tokyo, Japan

% Shareholding as of the latest record date on September 7, 2023 (including spouse and minor children): None

Family relationship with directors and executives: None

Age: 67 years

Nationality: Thai

Years of directorship: 3 years 11 months

Education and training:

- MBA., University of Wisconsin, Madison, USA
- Bachelor of Accountancy, Chulalongkorn University
- The National Defence Course Class 52, the National Defence College of Thailand (NDC)
- Capital Market Academy Programs Class 12, Capital Market Academy (CMA)
- Advanced Management Program (AMP), Harvard Business School, USA
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- Cyber Resilience Leadership: 'Tone from the Top', Bank of Thailand, Year 2020
- IT Security Awareness, Virtual Training, Year 2020
- Regulatory Technology: RegTech, Year 2021
- Bangkok FinTech Fair 2021 'Shaping Digital Finance in the New Decade', Year 2021
- Seminar on Cyber Resilience Leadership: Herd Immunity 2021
- Regulatory Technology: RegTech, Year 2022
- Easy Listening: Accounting Knowledge that AC should not miss (EP: 1, 2), SEC, Year 2022
- BOT Digital Finance Conference 2022
- ESG: Topic 1 'Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand' (Session 1-2), Year 2023
- ESG: Topic 2 'New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure)', Year 2023
- ESG: Topic 3 'Transition Finance: Commercial Banks' Decarbonization Pathway & MUFG's Case Study – Transition Whitepaper', Year 2023

Training and seminar held by Thai Institute of Directors Association (IOD):

- The Board's Role in Mergers and Acquisitions (BMA), Year 2023
- Successful Formulation and Execution of Strategy (SFE), Year 2022
- Board Nomination and Compensation Program (BNCP), Year 2021
- National Director Conference 2021: Leadership Behind Closed Door, Year 2021
- Ethical Leadership Program (ELP), Year 2021
- IT Governance and Cyber Resilience Program (ITG), Year 2020
- Role of the Chairman Program (RCP), Year 2020
- Advance Audit Committee Program (AACP), Year 2019
- Chartered Director Class, Board that Make a Difference, Year 2015
- Director Certification Program Update (DCPU), Year 2015
- Director Certification Program (DCP), Year 2001

Current positions:

Positions in Bank of Ayudhya PCL:

Apr 28, 2022 – Present	Chairman of the Audit Committee
Feb 1, 2020 – Apr 27, 2022	Audit Committee Member
Jan 2, 2020 – Present	Independent Director

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Dr. Wittaya Watcharawittayakul

- Independent Director
- Audit Committee Member

• Positions in other listed companies (Three companies):

Feb 1, 2022 – Present	Independent Director, Betagro PCL
Feb 1, 2022 – Present	Chairman of the Risk Management Committee, Betagro PCL
Feb 1, 2022 – Present	Audit Committee Member, Betagro PCL
Feb 1, 2022 – Present	Nomination and Remuneration Committee Member, Betagro PCL
Apr 28, 2021 – Present	Chairman of the Investment Committee, Thai President Foods PCL
2019 – Present	Independent Director, Thai President Foods PCL
2019 – Present	Corporate Governance and Risk Management Committee Member, Thai President Foods PCL
2016 – Present	Chairman, Bangkok Commercial Asset Management PCL

• Positions in non-listed companies/organizations (Eight organizations):

Oct 19, 2022 – Present	Director and Treasurer, Foundation for The Blind In Thailand under the Royal Patronage of H.M. the Queen
2021 – Present	Member, Financial Committee, Srisavarindhira Thai Red Cross Institute of Nursing
2021 – Present	Member, Restructuring Committee and Administrative Board, Chulalongkorn University
2021 – Present	Chairman, Opportus Co., Ltd.
2018 – Present	Advisor, Chulalongkorn Cancer Immunotherapy Fund
2017 – Present	Member, Civil System Development for Promotion of Good Public Management
2017 – Present	Advisor, Thai Investors Association
2017 – Present	Member, Financial Policy and Asset Committee, Srinakharinwirot University

Work experiences (in the last five years):

Feb 1, 2020 – Apr 28, 2022	Risk and Compliance Committee Member, Bank of Ayudhya PCL
2016 – Dec 2021	Advisor, Electronic Transactions Development Agency
2019 – Dec 2019	Independent Director, CIMB Group
2018 – Dec 2019	Consultant, SCB ABACUS
2017 – Dec 2019	Director and Chairman of the Audit Committee, Thai Credit Guarantee Corporation

% Shareholding as of the latest record date on September 7, 2023 (including spouse and minor children): None

Family relationship with directors and executives: None

Age: 65 years

Nationality: Thai

Years of directorship: 1 year 8 months

Education and training:

- Doctoral of Computer Science, University of Illinois (Urbana-Champaign), USA
- Master of Computer Science, University of Illinois (Urbana-Champaign), USA
- Bachelor of Computer Engineering (First Class Honors), Chulalongkorn University
- BOT Digital Finance Conference 2022
- Seminar on Cyber Armor: Capital Market Board Awareness 2023 on the topic 'Cyber Incident Management: The Board's Essential Role', SEC, Year 2023
- ESG: Topic 1 'Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand' (Session 1-2), Year 2023
- ESG: Topic 2 'New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure)', Year 2023
- Cyber Resilience Leadership: Mission for Embracing the Future of AI & Cybersecurity, Bank of Thailand, Year 2023
- ESG: Topic 3 'Transition Finance: Commercial Banks' Decarbonization Pathway & MUFG's Case Study – Transition Whitepaper', Year 2023

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Leadership Certification Program (DLCP), Year 2022
- Advanced Audit Committee Program (AACP), Year 2016
- Director Certification Program (DCP), Year 2014

Current positions:

- **Positions in Bank of Ayudhya PCL:**
Apr 28, 2022 – Present Independent Director
Apr 28, 2022 – Present Audit Committee Member
- **Positions in other listed companies:** None
- **Positions in non-listed companies/organizations:** None

Work experiences (in the last five years): None

% Shareholding as of the latest record date on September 7, 2023 (including spouse and minor children): None

Family relationship with directors and executives: None

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Mr. Jiro Omori

- Non-Executive Director
- Risk and Compliance Committee Member

Age: 58 years**Nationality:** Japanese**Years of directorship:** 1 year 5 months**Education and training:**

- Bachelor of Economic, Hitotsubashi University, Japan
- BOT Digital Finance Conference 2022
- ESG: Topic 1 'Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand' (Session 1-2), Year 2023
- ESG: Topic 2 'New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure)', Year 2023
- ESG: Topic 3 'Transition Finance: Commercial Banks' Decarbonization Pathway & MUFG's Case Study – Transition Whitepaper', Year 2023

Training and seminar held by Thai Institute of Directors Association (IOD): None**Current positions:****Positions in Bank of Ayudhya PCL:**

Jul 20, 2022 – Present	Non-Executive Director
Jul 20, 2022 – Present	Risk and Compliance Committee Member

Positions in other listed companies: None**Positions in non-listed companies/organizations (Two organizations):**

Apr 2022 – Present	Director and Senior Managing Executive Officer, Chief Executive, Global Markets Business Unit, Chief Operating Officer-International, Mitsubishi UFJ Trust and Banking Corporation
Apr 2022 – Present	Managing Executive Officer, Deputy Group Head of Global Markets Business Group, Group Deputy Chief Operating Officer-International, Mitsubishi UFJ Financial Group

Work experiences (in the last five years):

Apr 2020 – Apr 2022	Deputy Chief Executive, Asset Management & Investor Services Business Unit Business Head, Investor Services Business, Mitsubishi UFJ Trust and Banking Corporation
Jun 2016 – Apr 2020	Executive Officer & General Manager, Investor Services Business Division, Mitsubishi UFJ Trust and Banking Corporation
Jun 2016 – Apr 2022	Executive Officer, Mitsubishi UFJ Financial Group

% Shareholding as of the latest record date on September 7, 2023 (including spouse and minor children): None**Family relationship with directors and executives:** None

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Mr. Virat Phairatphiboon

- Non-Executive Director
- Chairman of the Risk and Compliance Committee
- Nomination and Remuneration Committee Member

Age: 75 years**Nationality:** Thai**Years of directorship:** 25 years**Education and training:**

- BA. in Economics and Business Administration, Adams State College, Colorado, USA
- Executive Development Program, Princeton University, USA
- Certificate of Managing Multinational Finance, Graduate Institute of Business Administration of Chulalongkorn University, Year 1985
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Seminar on 'CyberSecurity Awareness Training for Senior Executive', Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on 'Future Customer Experience in Financial and Banking Services', Year 2018
- IT Security Trend Update, Year 2018
- IT Governance & Cyber Resilience, Year 2019
- Bangkok Sustainable Banking Forum 2019 'An Industry Wake-up Call', Year 2019
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- IT Security Awareness, Virtual Training, Year 2020
- Bangkok FinTech Fair 2021 'Shaping Digital Finance in the New Decade', Year 2021
- Regulatory Technology: RegTech, Year 2022
- BOT Digital Finance Conference 2022
- Deloitte, Identity Trifecta, Zero Trust. Cybersecurity Mesh. Architecture. Identity Fabric, Year 2023
- ESG: Topic 1 'Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand' (Session 1-2), Year 2023
- ESG: Topic 2 'New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure)', Year 2023
- ESG: Topic 3 'Transition Finance: Commercial Banks' Decarbonization Pathway & MUFG's Case Study – Transition Whitepaper', Year 2023

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program Update (DCPU), Year 2014
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Role of the Compensation Committee (RCC), Year 2008
- Audit Committee Program (ACP), Year 2004
- Director Certification Program (DCP), Year 2002

Current positions:**Positions in Bank of Ayudhya PCL:**

Apr 29, 2022 – Present	Non-Executive Director
Feb 1, 2020 – Present	Nomination and Remuneration Committee Member
Oct 24, 2018 – Present	Chairman of the Risk and Compliance Committee
Dec 2, 1998 – Apr 28, 2022	Independent Director


Professor Dr. Sakda Thanitcul

- Independent Director
- Audit Committee Member

Positions in other listed companies (One company):

May 11, 2023 – Present	Chairman, Eastern Star Real Estate PCL
May 11, 2023 – Present	Independent Director, Eastern Star Real Estate PCL

Positions in non-listed companies/organizations (One organization):

Apr 28, 2023 – Present	Independent Director, FWD Life Insurance PCL
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Work experiences (in the last five years):

May 2012 – May 31, 2022	Chairman of the Audit Committee, Tipco Foods PCL
2007 – May 31, 2022	Audit Committee Member, Tipco Foods PCL
2007 – May 31, 2022	Independent Director, Tipco Foods PCL
May 21, 1999 – Apr 28, 2022	Audit Committee Member, Bank of Ayudhya PCL

% Shareholding as of the latest record date on September 7, 2023 (including spouse and minor children): None

Family relationship with directors and executives: None

Age: 65 years

Nationality: Thai

Years of directorship: 1 year 3 months

Education and training:

- LL.D. Kyoto University, Kyoto, Japan
- Ph.D. (Law) University of Washington, Seattle, USA
- LL.M. University of Washington, Seattle, USA
- LL.M. Kyoto University, Kyoto, Japan
- LL.B. Chulalongkorn University, Thailand
- The Program for Senior Executives on Justice Administration, Class 14, Judicial Training Institute
- BOT Digital Finance Conference 2022
- Conference on 2023 Directors and Senior Executives with ESG Risk Management organized by the Thailand Federation of Accounting Professions in collaboration with the Securities and Exchange Commission, Year 2023
- ESG: Topic 1 'Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand' (Session 1-2), Year 2023
- ESG: Topic 2 'New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure)', Year 2023
- ESG: Topic 3 'Transition Finance: Commercial Banks' Decarbonization Pathway & MUFG's Case Study – Transition Whitepaper', Year 2023

Training and seminar held by Thai Institute of Directors Association (IOD):

- The Board's Role in Mergers and Acquisitions (BMA), Year 2023
- Subsidiary Governance Program (SGP), Year 2023
- Risk Management Program for Corporate Leaders (RCL), Year 2023
- Advance Audit Committee Program (AACP), Year 2022
- Refreshment Training Program: Topic: Financial Reporting Cases: A Monitoring Guide for Board (RFP), Year 2022
- Financial Statements for Director (FSD), Year 2022
- Director Certification Program (DCP), Year 2021

Current positions:
Positions in Bank of Ayudhya PCL:

Sep 1, 2022 – Present	Independent Director
Sep 1, 2022 – Present	Audit Committee Member

Positions in other listed companies: None
Positions in non-listed companies/organizations (Ten organizations):

Oct 1, 2023 – Present	Lecturer, Chulalongkorn University
Aug 17, 2023 – Present	Legal Subcommittee, The Trade Competition Committee
Feb 1, 2023 – Present	Chairman of the Corporate Governance & Sustainable Development Committee, CPF Global Food Solution PCL
Jan 1, 2023 – Present	Independent Director and Audit and Risk Management Committee Member, CPF Global Food Solution PCL

Sep 8, 2022 – Present	Qualified Member, Foreign Business Commission, Ministry of Commerce
Apr 28, 2022 – Present	Research Promotion and Support Committee, Office of the National Anti-Corruption Commission
Jun 2020 – Present	Director, CU Enterprise Co., Ltd.
Dec 2018 – Present	Member, Council of State
Nov 2018 – Present	Distinguished Member, The Anti-Dumping and Subsidy Committee, Ministry of Commerce
2015 – Present	Quasi – Fellow, The Royal Society of Thailand
2015 – Present	Distinguished Member of University Council, Rajapruk University

Work experiences (in the last five years):

Oct 2018 – Sep 30, 2023	Lecturer (Employee of Public Autonomous University), Chulalongkorn University
Sep 27, 2022 – Apr 12, 2023	Chairman of the Nominating Subcommittee of the Support Arts and Crafts International Centre of Thailand, The Support Arts and Crafts International Centre of Thailand (Public Organization)
2022 – Mar 17, 2023	Expert advisor, Working Group for Revision of the Trade Competition Act B.E. 2560 (2017), The Trade Competition Committee
Nov 2018 – Mar 17, 2023	Distinguished Member for Law Vice Chairman of the Regulations Sub-committee, The Trade Competition Committee
Dec 11, 2020 – Dec 31, 2022	Director, C.P. Merchandising Co., Ltd.
Oct 2017 – Sep 26, 2022	Member, The National Strategy Drafting Committee on Competitiveness, Office of the National Economic and Social Development Council
2008 – 2020	Independent Director, C.P. Pokphand Co., Ltd.
Aug 2016 – 2020	Distinguished Member, Foreign Business Committee, Ministry of Commerce

% Shareholding as of the latest record date on September 7, 2023 (including spouse and minor children): None

Family relationship with directors and executives: None

9

Miss Nopporn Tirawattanagool

- Non-Executive Director
- Nomination and Remuneration Committee Member
- Risk and Compliance Committee Member

Age: 69 years

Nationality: Thai

Years of directorship: 13 years 8 months

Education and training:

- Master of Accounting, Faculty of Commerce and Accountancy, Thammasat University
- Bachelor of Business Administration (in Accounting), Thammasat University
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- Cyber Resilience Leadership: 'Tone from the Top', Bank of Thailand, Year 2020
- IT Security Awareness, Virtual Training, Year 2020
- Regulatory Technology: RegTech, Year 2021
- Cyber Armor: Capital Market Board Awareness No. 1, Topic: Capital Market Threat Landscape, Year 2021
- Cyber Armor: Capital Market Board Awareness No. 2, Topic: Data-driven Cybersecurity and Intelligence Threats Assessment, Year 2021
- Bangkok FinTech Fair 2021 'Shaping Digital Finance in the New Decade', Year 2021
- Economic Outlook 2021, Central Pattana PCL
- 5 Key Technology Trends in Financial & Banking Industry for 2022
- Environmental, Social and Governance (ESG) for sustainable growth, Year 2022
- Explore the digital world with Mr. FinTech, Year 2022
- BOT Digital Finance Conference 2022
- Thought Leadership Session – Sustainable and Climate Finance 2022, Central Pattana PCL
- Global trend of climate change and Net zero journey, Year 2023, Central Pattana PCL
- ESG: Topic 1 'Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand' (Session 1-2), Year 2023, Bank of Ayudhya PCL
- Overview of the Leasing Office Space Business, Year 2023, Central Pattana PCL
- ESG: Topic 2 'New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure)', Year 2023, Bank of Ayudhya PCL
- People Management Trend, Year 2023, Grand Canal Land PCL
- ESG: Topic 3 'Transition Finance: Commercial Banks' Decarbonization Partway & MUFG's Case Study – Transition Whitepaper', Year 2023, Bank of Ayudhya PCL

Training and seminar held by Thai Institute of Directors Association (IOD):

- Climate Governance Gen. 2-2023, Year 2023
- National Director Conference 2021 'Leadership Behind Closed Door', Year 2021
- National Director Conference 2018 'Rising Above Disruptions: A Call for Action', Year 2018
- National Director Conference 2017 'Steering Governance in a Changing World', Year 2017
- Risk Management Program for Corporate Leaders (RCL), Year 2015

- Anti-Corruption for Executive Program (ACEP), Year 2013
- Financial Institutions Governance Program (FGP), Year 2011
- Director Certification Program (DCP), Year 2010
- Audit Committee Program (ACP), Year 2010
- Role of the Compensation Committee (RCC), Year 2009
- Director Accreditation Program (DAP), Year 2003

Current positions:

• Positions in Bank of Ayudhya PCL:

Jan 1, 2015 – Present	Risk and Compliance Committee Member
Apr 28, 2010 – Present	Nomination and Remuneration Committee Member
Apr 8, 2010 – Present	Non-Executive Director

• Positions in other listed company (Four companies):

Apr 20, 2016 – Present	Director, Grand Canal Land PCL
May 6, 2015 – Apr 19, 2016	Director (Authorized Signatory), Grand Canal Land PCL
Oct 17, 2014 – Present	Director, Srivichaivejvivat PCL
Apr 2012 – Present	Director, Siam City Cement PCL
May 14, 2021 – Present	Corporate Governance Committee Member, Allianz Ayudhya Capital PCL
May 14, 2013 – Present	Nomination and Remuneration Committee Member, Allianz Ayudhya Capital PCL
Apr 22, 2013 – Present	Director, Allianz Ayudhya Capital PCL

• Positions in non-listed companies/organizations (Twenty three organizations):

Dec 19, 2019 – Present	Director and Secretary, Krungsri Foundation
Apr 19, 2017 – Present	Director (Authorized Signatory), BBTV Asset Management Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), CKS Holding Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), Super Assets Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), C.K.R Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), The Bangkok Lighters Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), The Thai Tapioca Flour Produce Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), Cyber Venture Co., Ltd.
Apr 9, 2015 – Present	Director (Authorized Signatory), Khao Kheow Country Club Co., Ltd.
Apr 9, 2015 – Present	Director (Authorized Signatory), Siam Purimongkol Co., Ltd.
Dec 1, 2014 – Present	Director (Authorized Signatory), Grand Fortune Co., Ltd.
Apr 21, 2014 – Present	Director, Bangkok Broadcasting & TV Co., Ltd.

Apr 21, 2014 – Present	Director (Authorized Signatory), BBTV Satelvision Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory), GL Assets Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory), Mahakij Holding Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory), BBTV Productions Co., Ltd.
Jan 10, 2014 – Present	Director (Authorized Signatory), BBTV Alliance Ltd.
Jan 10, 2014 – Present	Director (Authorized Signatory), BBTV Bond Street Building Ltd.
Aug 2012 – Present	Director (Authorized Signatory), ITBC Business Consultant Group Co., Ltd.
Apr 2011 – Present	Director (Authorized Signatory), Exclusive Senior Care International Co., Ltd.
Sep 2010 – Present	Director (Authorized Signatory), BBTV International Holdings Co., Ltd.
Sep 2010 – Present	Director (Authorized Signatory), Sunrise Equity Co., Ltd.
Sep 2010 – Present	Director (Authorized Signatory), BBTV Equity Co., Ltd.

Work experiences (in the last five years):

Jul 22, 2014 – Mar 23, 2022	Member of Nomination and Compensation Committee, Siam City Cement PCL
Jul 22, 2014 – Mar 31, 2020	Member of Governance and Risk Committee, Siam City Cement PCL

% Shareholding as of the latest record date on September 7, 2023 (including spouse and minor children): None

Family relationship with directors and executives: None

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Mr. Masakazu Osawa

- Non-Executive Director
- Nomination and Remuneration Committee Member

Age: 55 years**Nationality:** Japanese**Years of directorship:** - year 8 months**Education and training:**

- Master of Laws, The University of Chicago Law School, Illinois, USA
- Bachelor of Laws, The University of Tokyo, Tokyo, Japan
- ESG: Topic 1 'Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand' (Session 1-2), Year 2023
- ESG: Topic 2 'New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure)', Year 2023
- ESG: Topic 3 'Transition Finance: Commercial Banks' Decarbonization Pathway & MUFG's Case Study - Transition Whitepaper', Year 2023

Training and seminar held by Thai Institute of Directors Association (IOD): None**Current positions:**• **Positions in Bank of Ayudhya PCL:**

- | | |
|------------------------|--|
| Apr 22, 2023 – Present | Non-Executive Director |
| Apr 22, 2023 – Present | Nomination and Remuneration Committee Member |

• **Positions in other listed companies:** None• **Positions in non-listed companies/organizations (Three organizations):**

- | | |
|--------------------|--|
| Apr 2023 – Present | Managing Executive Officer, Chief Executive for Asia Pacific, MUFG Bank, Ltd. (Tokyo, Japan) |
| Apr 2023 – Present | Managing Executive Officer, Chief Executive for Asia Pacific, Mitsubishi UFJ Financial Group |
| Apr 2023 – Present | Director, DMI Finance Private Limited |

Work experiences (in the last five years):

- | | |
|---------------------|---|
| Jun 2020 – Mar 2023 | Member of the Board of Directors, Managing Executive Officer, MUFG Bank, Ltd. (Tokyo, Japan) |
| Jun 2020 – Mar 2021 | Chief Digital Transformation Officer (CDTO) in charge of Digital Transformation Divisions, Managing Director, Head of Digital Transformation Division, MUFG Bank, Ltd. (Tokyo, Japan) |
| Apr – Jun 2020 | Managing Executive Officer, MUFG Bank, Ltd. (Tokyo, Japan) |
| Apr – Jun 2020 | Chief Digital Transformation Officer (CDTO) in charge of Digital Transformation Division, Managing Director, Head of Digital Transformation Division, MUFG Bank, Ltd. (Tokyo, Japan) |
| Apr – Jun 2020 | Managing Director, Head of Digital Transformation Division, MUFG Bank, Ltd. (Tokyo, Japan) |
| May 2018 – Apr 2020 | Executive Officer, MUFG Bank, Ltd. (Tokyo, Japan) |

May 2018 – Apr 2020

Managing Director, Head of Digital Transformation Division, Corporate Planning Division and Financial Planning Division, MUFG Bank, Ltd. (Tokyo, Japan)

Apr 2020 – Mar 2021

Managing Corporate Executive, Group CDTO, Mitsubishi UFJ Financial Group, Inc., Tokyo, Japan

Apr 2020 – Mar 2021

Managing Director, Head of Digital Transformation Division, Mitsubishi UFJ Financial Group, Inc., Tokyo, Japan

May 2018 – Apr 2020

Executive Officer, Mitsubishi UFJ Financial Group, Inc., Tokyo, Japan

May 2018 – Apr 2020

Managing Director, Head of Digital Transformation Division, Corporate Planning Division and Financial Planning Division, Mitsubishi UFJ Financial Group, Inc., Tokyo, Japan

% Shareholding as of the latest record date on September 7, 2023 (including spouse and minor children): None**Family relationship with directors and executives:** None

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Mr. Pornsanong Tuchinda

- Non-Executive Director
- Risk and Compliance Committee Member

Age: 62 years**Nationality:** Thai**Years of directorship:** 8 years 2 months**Education and training:**

- Master of Business Administration (Finance and Management), Babson College, Massachusetts, USA
- BA. (Economics and Political Science), The University of Michigan, Ann Arbor, Michigan, USA
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on 'Cyber Resilience Leadership', Year 2017
- IT Security Trend Update, Year 2018
- Bangkok Sustainable Banking Forum 2019 'An Industry Wake-up Call', Year 2019
- IT Security Awareness, Virtual Training, Year 2020
- Seminar on Cyber Resilience Leadership: Herd Immunity 2021
- BOT Digital Finance Conference 2022
- ESG: Topic 1 'Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand' (Session 1-2), Year 2023
- ESG: Topic 2 'New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure)', Year 2023
- ESG: Topic 3 'Transition Finance: Commercial Banks' Decarbonization Pathway & MUFG's Case Study – Transition Whitepaper', Year 2023

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP), Year 2008
- Audit Committee Program (ACP), Year 2006
- Director Accreditation Program (DAP), Year 2004

Current positions:**Positions in Bank of Ayudhya PCL:**

Apr 28, 2022 – Present	Risk and Compliance Committee Member
Jan 1, 2022 – Present	Non-Executive Director
Oct 1, 2015 – Dec 31, 2021	Director (Authorized Signatory)

Positions in other listed companies: None**Positions in non-listed companies/organizations:** None**Work experiences (in the last five years):**

Jan 5, 2015 – Dec 31, 2021	Head of Commercial Banking, Bank of Ayudhya PCL
Feb 24, 2010 – Dec 31, 2021	Executive Committee Member, Bank of Ayudhya PCL
Jan 13, 2010 – Dec 31, 2021	Senior Executive Vice President, Bank of Ayudhya PCL

Sep 1, 2020 – Jun 30, 2021 Acting Head of Corporate and Investment Banking Group, Bank of Ayudhya PCL

Jan 1 – Aug 31, 2020 Acting Head of Corporate Banking Group, Bank of Ayudhya PCL

% Shareholding as of the latest record date on September 7, 2023 (including spouse and minor children): None

Family relationship with directors and executives: None

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Miss Duangdao Wongpanitkrit ^{1/}

- Director (Authorized Signatory)
- Chief Financial Officer
- First Executive Vice President, Finance Group
- Executive Committee Member

Age: 54 years**Nationality:** Thai**Years of directorship:** 7 years 9 months**Education:**

- MBA. (Financial Accounting), Chulalongkorn University
- Bachelor of Business Administration (Accounting), Thammasat University

External trainings:

- Certified Public Accountant (CPA Thailand)
- Strategic IT Governance (for non-IT), Year 2017
- Bangkok Sustainable Banking Forum 2019 'An Industry Wake-up Call', Year 2019
- IT Governance & Cyber Resilience, Year 2019
- CFO Professional Development Program (TLCA CFO CPD), Year 2019 ^{2/}
- PwC Thailand's 2019 Symposium, Year 2019 ^{2/}
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- IT Security Awareness, Virtual Training, Year 2020
- Deloitte CFO Webinar: Responding to Covid-19 | Virtual Finance Operations ^{2/}, Year 2020
- CFO Professional Development Program (TLCA CFO CPD), Year 2020 ^{2/}
- Cyber Resilience Leadership: 'Tone from the Top', Bank of Thailand, Year 2020
- Deloitte SEA CFO Virtual Forum – Regional economic outlook: Five imperatives for the new normal ^{2/}, Year 2020
- Roles and Responsibilities of Audit Committee, IFC, Year 2020
- Bangkok FinTech Fair 2021 'Shaping Digital Finance in the New Decade', Year 2021
- Seminar on Cyber Resilience Leadership: Herd Immunity 2021
- CFO Professional Development Program (TLCA CFO CPD), Year 2022 ^{2/}
- Deloitte Accounting Standard Updates, Year 2022 ^{2/}
- ESG: Topic 1 'Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand' (Session 1-2), Year 2023
- CFO Professional Development Program (TLCA CFO CPD), Year 2023 ^{2/}
- Cyber Resilience Leadership: Mission for Embracing the Future of AI & Cybersecurity, Bank of Thailand, Year 2023
- ESG: Topic 2 'New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure)', Year 2023
- ESG: Topic 3 'Transition Finance: Commercial Banks' Decarbonization Pathway & MUFG's Case Study – Transition Whitepaper', Year 2023

Trainings and seminars held by Thai Institute of Directors Association (IOD):

- Hot Issue for Directors: What Directors Need to Know about Digital Assets?, Year 2022
- Director Leadership Certification Program - Boardroom Excellence for Sustainable Growth, Year 2022
- Director Leadership Certification Program (DLCP), Year 2022
- National Director Conference 2021: 'MAKE SUSTAINABILITY PERFORM', WHAT WORKS AND WHAT DOESN'T..., Year 2021

- National Director Conference 2021: Leadership Behind Closed Door, Year 2021
- Ethical Leadership Program (ELP), Year 2020
- Boards that Make a Difference (BMD), Year 2019
- IT Governance and Cyber Resilience Program (ITG), Year 2018
- National Director Conference 2018 'Rising Above Disruptions: A Call for Action', Year 2018
- Risk Management Program for Corporate Leaders (RCL), Year 2018
- Strategic Board Master Class (SBM), Year 2018
- Boards Matters and Trends (BMT), Year 2017
- Corporate Governance for Capital Market Intermediaries (CGI), Year 2015
- Risk Management Committee Program (RMP), Year 2013
- Director Certification Program (DCP), Year 2013
- Financial Institutions Governance Program (FGP), Year 2011

Current positions:**Positions in Bank of Ayudhya PCL:**

Mar 28, 2016 – Present	Director (Authorized Signatory)
Apr 1, 2013 – Present	First Executive Vice President, Finance Group
Jan 1, 2013 – Present	Chief Financial Officer
Jan 1, 2013 – Present	Executive Committee Member

Positions in other listed companies: None**Positions in non-listed companies/organizations (Three organizations):**

Jul 22, 2019 – Present	Director (Authorized Signatory), Krungsri Nimble Co., Ltd.
Mar 27, 2017 – Present	Director (Authorized Signatory), Krungsri Innovate Co., Ltd.
Sep 12, 2016 – Present	Director, Hattha Bank Plc.

Work experiences:**In accounting and finance (in the last five years):**

Jan 1 – Dec 31, 2022	Acting Head of Financial Governance Risk and Compliance Division, Bank of Ayudhya PCL
May 29, 2015 – Mar 2019	Director, Ngern Tid Lor Co., Ltd.

Others (in the last seven years): None**Positions receiving remuneration in for-profit companies/organizations:** None**% Shareholding as of the latest record date on September 7, 2023 (including spouse and minor children):** None**Family relationship with directors and executives:** None**Remarks:** ^{1/} The Person taking the Highest Responsibility in Finance and Accounting.^{2/} The Orientation Course in Accounting/ Finance and Continuing Development Course in Accounting

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Mr. Karun Kittisataporn

• Advisor

Age: 76 years

Nationality: Thai

Education and training:

- MA., (International Trade), Syracuse University, NY, USA (USAID Scholarship)
- BCA., Victoria University of Wellington, New Zealand (Colombo Plan Scholarship)
- Degree from the National Defence College Class 8, (Joint State - Private Sector)
- Certificate of Commercial Policy Course, GATT, Geneva
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Seminar on 'CyberSecurity Awareness Training for Senior Executive', Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on 'Cyber Resilience Leadership', Year 2017
- Krungsri Executive Forum: Leading Organization & People in Digital Age 2018, Year 2018
- Seminar on 'Future Customer Experience in Financial and Banking Services', Year 2018
- IT Security Trend Update, Year 2018
- IT Governance & Cyber Resilience, Year 2019
- Bangkok Sustainable Banking Forum 2019 'An Industry Wake-up Call', Year 2019
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- IT Security Awareness, Virtual Training, Year 2020
- Regulatory Technology: RegTech, Year 2021
- Cyber Armor: Capital Market Board Awareness No. 2, Topic: Data-driven Cybersecurity and Intelligence Threats Assessment, Year 2021
- Bangkok FinTech Fair 2021 'Shaping Digital Finance in the New Decade', Year 2021
- Seminar on Cyber Resilience Leadership: Herd Immunity 2021
- BOT Digital Finance Conference 2022

Training and seminar held by Thai Institute of Directors Association (IOD):

- Role of Chairman Program (RCP), Year 2021
- Ethical Leadership Program (ELP), Year 2021
- Risk Management Program for Corporate Leaders (RCL), Year 2019
- National Director Conference 2018 'Rising Above Disruptions: A Call for Action', Year 2018
- Board Nomination and Compensation Program (BNCP), Year 2018
- Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance, Year 2017
- Director Briefing 'Sleeping Giants of Succession', Year 2017
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Monitoring the Internal Audit Function (MIA), Year 2013
- Monitoring the Quality of Financial Reporting (MFR), Year 2011
- Financial Institutions Governance Program (FGP), Year 2011
- Financial Statements for Directors (FSD), Year 2009
- Audit Committee Program (ACP), Year 2009
- Role of the Compensation Committee (RCC), Year 2008
- Director Certification Program (DCP), Year 2006

Current positions:

• Positions in Bank of Ayudhya PCL:

Jul 25, 2022 – Present Advisor

• Positions in other listed companies (One company):

Nov 2008 – Present Audit Committee Member, Sahamit Machinery PCL

• Positions in non-listed companies/organizations (Two organizations):

Jan 21, 2019 – Present Vice Chairman, Committee 6, Council of State, Office of the Council of State

Nov 2006 – Jan 2019 Member, Committee 6, Council of State, Office of the Council of State

Apr 28, 2016 – Present Member, Committee on International Economic Policy

Work experiences (in the last five years):

Nov 30, 2018 - Jul 25, 2023 Chairman
Krungsri Foundation

Jan 16, 2017 - Jul 25, 2023 Director
Krungsri Foundation

Apr 29, 2022 – Jul 24, 2023 Non-Executive Director
Bank of Ayudhya PCL

Jul 1, 2019 – Jul 24, 2023 Chairman
Bank of Ayudhya PCL

Apr 9, 2008 – Apr 28, 2022 Independent Director
Bank of Ayudhya PCL

Apr 9, 2008 – Jun 30, 2019 Chairman of the Nomination and Remuneration Committee
Bank of Ayudhya PCL

Oct 9, 2019 – Aug 31, 2022 Lead Independent Director,
Central Pattana PCL

Apr 2015 – Aug 31, 2022 Chairman of the Nomination and Remuneration Committee,
Central Pattana PCL

Jan 2011 – Aug 31, 2022 Audit Committee Member,
Central Pattana PCL

Apr 2009 – Aug 31, 2022 Independent Director, Central
Pattana PCL

Apr 9, 2008 – Jun 30, 2019 Chairman of the Nomination and Remuneration Committee, Bank
of Ayudhya PCL

Jan 2017 – Dec 31, 2019 Member, ASEAN Association –
Thailand

Nov 1, 2017 – Jun 30, 2019 Risk Management Committee
Member, Khon Kaen Sugar
Industry PCL

Sep 2017 – Jun 30, 2019 Chairman of the Nomination and
Remuneration Committee,
Khon Kaen Sugar Industry PCL

Feb 2010 – Jun 30, 2019 Independent Director,
Khon Kaen Sugar Industry PCL

% Shareholding as of the latest record date on September 7, 2023 (including spouse and minor children): None

Family relationship with directors and executives: None

EXECUTIVES AND PERSONS WITH MANAGERIAL AUTHORITY

(As defined by the Capital Market Supervisory Board)

Name – Surname Age and Position (Appointment Date)	Education and Training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
1. Mr. Bunsei Okubo Age 48 years - Head of JPC/MNC Banking (May 12, 2023) - First Executive Vice President (May 12, 2023) - Executive Committee Member (May 12, 2023) % Shareholding ^{2/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Economics, Nagoya University, Japan - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Role of the Chairman Program (RCP), Year 2021 • Board Nomination & Compensation Program (BNCP), Year 2020 • Director Certification Program (DCP), Year 2020	May 12, 2023 – Present	Head of JPC/MNC Banking	Bank of Ayudhya PCL
		May 12, 2023 – Present	Executive Committee Member	
		May 12, 2023 – Present	First Executive Vice President	
		Apr 25, 2021– May 11, 2023	Executive Vice President, Deputy Head of JPC/MNC Banking	
		May 15, 2019 – Apr 24, 2021	Executive Vice President, Head of Japanese Corporate Banking Division 1	
		Apr 16 - May 15, 2019	Executive Vice President, Japanese Corporate Banking Division 1	
		Other Companies/ Organizations		
		Sep 2016 - Apr 15, 2019	Managing Director, Nagoya Corporate Banking Division 2	MUFG Bank, Ltd., Tokyo
2. Mr. Phongsanant Thanattrai ^{1/} Age 59 years - Head of Retail and Consumer Banking (Jan 1, 2021) - First Executive Vice President (Apr 1, 2012) - Executive Committee Member (Jan 1, 2021) % Shareholding ^{2/} -None- Family Relationship with Directors and Executives -None-	- MBA., Thammasat University - Bachelor of Business Administration (Marketing), Assumption University - Strategic IT Governance (for non-IT), Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Role of the Chairman Program (RCP), Year 2021 • Board Nomination & Compensation Program (BNCP), Year 2020 • Director Certification Program (DCP), Year 2020	Jan 1, 2021 – Present	Head of Retail and Consumer Banking	Bank of Ayudhya PCL
		Jan 1, 2021 – Present	Executive Committee Member	
		Apr 1, 2012 – Present	First Executive Vice President	
		Jan 1 – Sep 30, 2021	Acting Head of Retail Banking and Distribution Group	
		Sep 16, 2019 – Apr 30, 2021	Acting Head of High Net-Worth Division	
		Jan 1, 2017 – Dec 31, 2020	Head of Retail Banking and Distribution Group	
		Jan 7, 2015 – Sep 15, 2019	Acting Head of Provincial Branch Business Division	
		Other Companies/ Organization		
		Mar 8, 2023 – Present	Chairman (Authorized Signatory)	Krungsri Capital Securities PCL
		Jan 1, 2023 – Present	Chairman	Hattha Bank Plc.
		Jan 7, 2021 – Present	Chairman (Authorized Signatory)	Krungsri Asset Management Co., Ltd.

Name – Surname Age and Position (Appointment Date)	Education and Training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
2. Mr. Phonganant Thanattrai (Cont')	<ul style="list-style-type: none"> Corporate Governance for Capital Market Intermediaries (CGI – English), Year 2015 	Nov 18, 2019 – Present	Director (Authorized Signatory)	Ngern Tid Lor PCL
		Nov 29, 2019 – Present	Director (Authorized Signatory)	Krungsriyudhya Card Co., Ltd.
		Apr 20, 2015 – Present	Director	
		Jan 8, 2021 – Mar 3, 2023	Chairman (Authorized Signatory)	Krungsri Securities PCL
3. Mr. Sayam Prasitsirigul ^{1/} Age 54 years - Chief Information and Digital Officer (Jan 1, 2021) - First Executive Vice President (Jul 1, 2011) - Executive Committee Member (Jan 1, 2021) % Shareholding ^{2/} -None- Family Relationship with Directors and Executives -None-	<ul style="list-style-type: none"> MBA. (Finance), The Peter F. Drucker Center, The Claremont Graduate School, California, USA Bachelor of Electrical Engineering, Chulalongkorn University Strategic IT Governance (for non-IT), Year 2017 Bangkok FinTech Fair 2021 'Shaping Digital Finance in the New Decade', Year 2021 	Jan 1, 2021 – Present	Chief Information and Digital Officer	Bank of Ayudhya PCL
		Jan 1, 2021 – Present	Executive Committee Member	
		Jul 1, 2011 – Present	First Executive Vice President	
		Jun 1 – Aug 31, 2021	Acting Head of Information Technology Group	
		Sep 1 – Dec 31, 2020	Deputy Chief Information and Operations Officer	
		Sep 1 – Dec 31, 2020	Acting Head of Digital Banking and Innovation	
		Jan 1, 2017 – Aug 31, 2020	Head of SME Banking Group	
		Jan 1, 2018 – Oct 31, 2019	Acting Head of SME Credit Analysis Division	
		<u>Other Companies/ Organizations</u>		
		Jan 15, 2021 – Present	Director	National ITMX Co., Ltd.
		Jan 13, 2021 – Present	Director	Krungsri Innovate Co., Ltd.
		Jan 6, 2021 – Present	Director (Authorized Signatory)	Krungsri Nimble Co., Ltd.
		Mar 26, 2015 – Apr 17, 2019	Chairman (Authorized Signatory)	Ayudhya Development Leasing Co., Ltd.

Name – Surname Age and Position (Appointment Date)	Education and Training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
4. Mr. Chandrashekar Subramanian Krishoolndmangalam ^{1/} Age 61 years - Chief Risk Officer (Jan 3, 2007) - Senior Executive Vice President (Sep 1, 2020) - Executive Committee Member (Jan 3, 2007) % Shareholding ^{2/} -None- Family Relationship with Directors and Executives -None- Remark: Has been extended after retirement, effective January 1, 2023	- Master in Commerce, Bombay University, India - Strategic IT Governance (for non-IT), Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP-English), Year 2008	Sep 1, 2020 – Present	Senior Executive Vice President	Bank of Ayudhya PCL
		Jan 3, 2007 – Present	Chief Risk Officer	
		Jan 3, 2007 – Present	Executive Committee Member	
		Jan 3, 2007 – Aug 31, 2020	First Executive Vice President	
		Other Companies/ Organizations		
		Oct 2, 2023 – Present	Chairman	PT. Home Credit Indonesia ('HCID')
		Jun 1, 2023 – Present	Director	Home Credit Consumer Finance Philippines Inc. ('HCPH')
		May 22, 2023 – Present	Director	SHBank Finance Co., Ltd.
		Jan 20, 2021 – Present	Chairman (Authorized Signatory)	Ngern Tid Lor PCL
		May 29, 2015 – Present	Director	
		Oct 20, 2020 – Present	Director (Authorized Signatory)	SB Finance, Inc.
		Sep 12, 2016 – Present	Director	Hattha Bank Plc.
		Apr 17, 2019 – Present	Chairman (Authorized Signatory)	Ayudhya Development Leasing Co., Ltd.
		Mar 26, 2015 – Present	Director (Authorized Signatory)	
		Apr 21, 2015 – Present	Chairman (Authorized Signatory)	Krungsri Ayudhya AMC Ltd.
		May 2008 – Present	Director (Authorized Signatory)	
		Apr 2008 – Apr 21, 2020	Director (Authorized Signatory)	Ayudhya Capital Auto Lease PCL
		May 7, 2014 – Jul 21, 2019	Director (Authorized Signatory)	Krungsri Factoring Co., Ltd.
5. Miss Puntipa Hannoraseth Age 55 years - Head of Internal Audit Group (Apr 27, 2009) - First Executive Vice President (Apr 1, 2013) - Secretary to the Audit Committee (Sep 16, 2010) % Shareholding ^{2/} -None- Family Relationship with Directors and Executives -None-	- MBA., Thammasat University - Bachelor of Accounting (1 st Class Honor), Thammasat University - Certified Public Accountant (CPA Thailand) - Certified Internal Auditor - Seminar of Chief Audit Executive (CAE) Forum 2021 'Internal Audit: Soaring Through Turbulent Times', Year 2021	Apr 1, 2013 – Present	First Executive Vice President	Bank of Ayudhya PCL
		Sep 16, 2010 – Present	Secretary to the Audit Committee	
		Apr 27, 2009 – Present	Head of Internal Audit Group	

Name – Surname Age and Position (Appointment Date)	Education and Training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
5. Miss Puntipa Hannoraseth (Cont')	<ul style="list-style-type: none"> - Seminar of The Institute of Internal Auditors of Thailand's Annual Conference 2021 'Innovative IA: Recalibration for the COVID Environment', Year 2021 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) <ul style="list-style-type: none"> • Advanced Audit Committee Program (Completed ACP, MIA, MFM, MFR, MIR), Year 2010 • Company Secretary Program (CSP), Year 2009 • Audit Committee Program (ACP), Year 2009 			
6. Mr. Pairote Cheunkrut ^{1/} Age 58 years - Chief Strategy Officer (Jan 1, 2020) - Acting Head of ASEAN Business Group (Jan 1, 2024) - First Executive Vice President (Oct 1, 2014) - Executive Committee Member (Jan 1, 2020) % Shareholding ^{2/} -None- Family Relationship with Directors and Executives -None-	<ul style="list-style-type: none"> - Master of Business Administration, Oklahoma City University, USA - Bachelor of Accounting, Bangkok University - Bangkok FinTech Fair 2021 'Shaping Digital Finance in the New Decade', Year 2021 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) <ul style="list-style-type: none"> • The Board's Role in Mergers and Acquisitions (BMA), Year 2022 • Financial Institutions Governance Program (FGP), Year 2013 • Director Certification Program (DCP), Year 2008 • Financial Statements for Directors (FSD), Year 2008 	Jan 1, 2024 – Present	Acting Head of ASEAN Business Group	Bank of Ayudhya PCL
		Jan 1, 2020 – Present	Chief Strategy Officer	
		Jan 1, 2020 – Present	Executive Committee Member	
		Oct 1, 2014 – Present	First Executive Vice President	
		Oct 1, 2015 – Dec 31, 2019	Head of Krungsri Auto Group	
		Other Companies/ Organizations		
		Mar 30, 2021 – Present	Director	Hattha Bank Plc.
		Sep 1, 2020 – Present	Chairman (Authorized Signatory)	Krungsri Finnivate Co., Ltd.
		Jan 1 – Aug 31, 2020	Director	
		Sep 1, 2020 – Present	Chairman (Authorized Signatory)	Krungsri Nimble Co., Ltd.
		Jan 1 – Aug 31, 2020	Director	
		Aug 19, 2015 – Present	Chairman (Authorized Signatory)	Ayudhya Capital Auto Lease PCL
		Nov 10, 2008 – Aug 18, 2015	Director (Authorized Signatory)	
		Apr 3, 2014 – Apr 1, 2020	Director	Krungsri Leasing Services Co., Ltd.

Name – Surname Age and Position (Appointment Date)	Education and Training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
7. Mr. Vasin Udomratchatavanich ^{1/} Age 51 years - Chief Human Resources Officer (Jun 1, 2019) - First Executive Vice President (Sep 1, 2020) - Executive Committee Member (Jun 1, 2019) - Secretary to the Nomination and Remuneration Committee (Apr 25, 2019) % Shareholding ^{2/} -None- Family Relationship with Directors and Executives -None-	- Ph.D. in Technology Management, Stevens Institute of Technology - Master of Engineering, Stevens Institute of Technology - Bachelor of Engineering, Kasetsart University - Bangkok Sustainable Banking Forum 2019 'An Industry Wake-up Call', Year 2019 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • The Board's Role in Mergers and Acquisitions (BMA), Year 2022 • Director Certification Program (DCP), Year 2021 • Director Accreditation Program (DAP), Year 2020	Sep 1, 2020 – Present	First Executive Vice President	Bank of Ayudhya PCL
		Jun 1, 2019 – Present	Chief Human Resources Officer	
		Jun 1, 2019 – Present	Executive Committee Member	
		Apr 25, 2019 – Present	Secretary to the Nomination and Remuneration Committee	
		Apr 1, 2014 – Aug 31, 2020	Executive Vice President	
		Apr 25 – May 31, 2019	Acting Head of Human Resources Group	
		May 1, 2016 – May 31, 2019	Head of Organization Development Division	
		Other Companies/ Organizations		
		Jun 15, 2020 – Present	Director	Ngern Tid Lor PCL
		Jul 22, 2019 – Present	Director	Krungsri Nimble Co., Ltd.
8. Mr. Prakob Phiencharoen ^{1/} Age 54 years - Head of Corporate and Investment Banking Group (Jul 1, 2021) - First Executive Vice President (Jul 1, 2021) - Executive Committee Member (Jan 1, 2022) - Acting Head of Investment Banking Division (Sep 1, 2020) % Shareholding ^{2/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration, University of Florida, USA - Master of Art Program in Economic Law, Chulalongkorn University - Bachelor of Engineering, Chulalongkorn University - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2021 • Successful Formulation & Execution of Strategy (SFE), Year 2020	Jan 1, 2022 – Present	Executive Committee Member	Bank of Ayudhya PCL
		Jul 1, 2021 – Present	Head of Corporate and Investment Banking Group	
		Jul 1, 2021 – Present	First Executive Vice President	
		Sep 1, 2020 – Present	Acting Head of Investment Banking Division, Commercial Banking Group	
		Sep 1, 2020 – Jun 30, 2021	Executive Vice President, Head of Global Corporate Division	
		Mar 1, – Aug 31, 2020	Executive Vice President, Head of Global Corporate Division 1 and Acting Head of Global Corporate Division 2, Corporate Banking Group, Commercial Banking	

Name – Surname Age and Position (Appointment Date)	Education and Training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
8. Mr. Prakob Phiencharoen (Cont')		Mar 1, 2019 – Feb 29, 2020	Executive Vice President, Head of Global Corporate Division 1, Corporate Banking Group, Commercial Banking	Bank of Ayudhya PCL
		Jan 1, 2018 – Feb 28 2019	Executive Vice President, Head of Corporate Banking Division 4, Corporate Banking Group, Commercial Banking	
		Other Companies/ Organizations		
		Jan 1, 2021 – Present	Director (Authorized Signatory)	Krungsri Securities PCL
9. Miss Duangkamol Limpuangthip Age 56 years - Head of SME Banking Group (Sep 1, 2020) - First Executive Vice President (Sep 1, 2020) - Executive Committee Member (Jan 1, 2022) % Shareholding ^{2/} -None- Family Relationship with Directors and Executives -None-	<ul style="list-style-type: none"> - Master Degree (Finance and International Business) University of Wisconsin, USA - Bachelor Degree Commerce and Accountancy, Chulalongkorn University - Thailand National Defence Program 2021 Orientation, Year 2021 	Jan 1, 2022 – Present	Executive Committee Member	Bank of Ayudhya PCL
		Sep 1, 2020 – Present	Head of SME Banking Group	
		Sep 1, 2020 – Present	First Executive Vice President	
		Jul 1, 2015 – Aug 31, 2020	Executive Vice President, Head of Metropolitan, SME Business Division	
10. Mr. Kittichai Singha Age 52 years - Chief Compliance Officer (Dec 1, 2022) - First Executive Vice President (Dec 1, 2022) - Executive Committee Member (Dec 1, 2022) - Data Protection Officer (Dec 1, 2022) % Shareholding ^{2/} -None- Family Relationship with Directors and Executives -None-	<ul style="list-style-type: none"> - Master of Arts (International Affairs and Diplomacy), Thammasat University - Bachelor of Arts (English and Business Administration), Srinakharinwirot University Patumwan - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Subsidiary Governance Program (SGP), Year 2023 • Ethical Leadership Program (ELP), Year 2022 • Director Certification Program (DCP), Year 2021 	Dec 1, 2022 – Present	Chief Compliance Officer	Bank of Ayudhya PCL
		Dec 1, 2022 – Present	First Executive Vice President	
		Dec 1, 2022 – Present	Executive Committee Member	
		Dec 1, 2022 – Present	Data Protection Officer	
		Other Companies/ Organizations		
		Feb 2021 – Nov 2022	Group Head of Compliance	Ascend Money Group
		Feb 2021 – Nov 2022	Head of Compliance	True Money Co., Ltd.
		Feb 2021 – Nov 2022	Head of Compliance	Ascend Wealth Co., Ltd.
		Feb 2021 – Nov 2022	Head of Compliance	Ascend Nano Co., Ltd.

Name – Surname Age and Position (Appointment Date)	Education and Training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
10. Mr. Kittichai Singha (Cont')	<ul style="list-style-type: none"> Director Accreditation Program (DAP), Year 2020 IT Governance and Cyber Resilience Program (ITG), Year 2019 	Feb 2021 – Nov 2022	Head of Compliance	Ascend Assurance Broker Co., Ltd.
		Feb 2021 – Nov 2022	Head of Compliance	Ascend Innovation Co., Ltd.
		Feb 2021 – Nov 2022	Executive Director, Audit Committee member	True Money Philippines Ltd.
		Apr – Dec 2020	Executive Vice President, Head of Compliance and Data Protection Officer	Thai Military Bank PCL
		Sep 2018 – Apr 2020	Executive Vice President, Head of Compliance and Data Protection Officer	Thanachart Bank PCL
11. Mr. Hirotaka Kuroki Age 51 years - Head of Global Markets Group (Jan 1, 2023) - First Executive Vice President (Feb 1, 2023) - Executive Committee Member (Jan 1, 2023) % Shareholding ^{2/} -None- Family Relationship with Directors and Executives -None-	<ul style="list-style-type: none"> Bachelor of Economics, Hitotsubashi University, Tokyo, Japan 	Feb 1, 2023 – Present	First Executive Vice President	Bank of Ayudhya PCL
		Jan 1, 2023 – Present	Head of Global Markets Group	
		Jan 1, 2023 – Present	Executive Committee Member	
		Jun 6, 2021 – Jan 31, 2023	Executive Vice President	
		Jun 27, 2021 – Dec 31, 2022	Deputy Head of Global Markets Group	
		Dec 2013 – May 2019	Senior Vice President, Global Markets Group	
		<u>Other Companies/ Organizations</u>		
		May 2019 – Jun 6, 2021	Managing Director, Corporate Risk Management Division	MUFG Bank, Ltd., Tokyo
12. Mr. Wirote Chuenratanakul ^{1/} Age 56 years - Head of Operations Group (Jan 1, 2020) - Executive Vice President (Jan 5, 2015) % Shareholding ^{2/} -None- Family Relationship with Directors and Executives -None-	<ul style="list-style-type: none"> MBA. (Finance), National Institute Development Administration Bachelor of Business Administration (Finance), Thammasat University Certificate of Executive Development Program, Cornell University, USA, Year 2017 	Jan 1, 2020 – Present	Head of Operations Group	Bank of Ayudhya PCL
		Jan 5, 2015 – Present	Executive Vice President	
		Jan 1, 2017 – Dec 31, 2019	Co-Head of Operations Group	
		<u>Other Companies/ Organizations</u>		
		Mar 8, 2023 – Present	Director (Authorized Signatory)	Krungsri Capital Securities PCL
		Aug 31, 2019 – Present	Director (Authorized Signatory)	Total Services Solutions PCL

Name – Surname Age and Position (Appointment Date)	Education and Training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
12. Mr. Wirote Chuenratanakul (Cont')	<ul style="list-style-type: none"> - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Advanced Audit Committee Program (AACP), Year 2023 • The Board's Role in Mergers and Acquisitions (BMA), Year 2023 • Subsidiary Governance Program (SGP), Year 2023 • Strategic Board Master Class (SBM), Year 2022 • IT Governance and Cyber Resilience Program (ITG), Year 2021 • Director Certification Program (DCP), Year 2020 • Successful Formulation & Execution of Strategy (SFE), Year 2015 			
13. Mr. Yoshio Ueyama Age 51 years - Chief Credit Officer (Jan 3, 2018) - Executive Vice President (Nov 6, 2017) % Shareholding ^{2/} -None- Family Relationship with Directors and Executives -None-	<ul style="list-style-type: none"> - Bachelor of Arts in Economics, Hitotsubashi University, Japan 	Jan 3, 2018 – Present Nov 6, 2017 – Present	Chief Credit Officer Executive Vice President	Bank of Ayudhya PCL
14. Mr. Thitivorn Chothayaphorn Age 54 years - Head of Legal Group (Jan 1, 2020) - Executive Vice President (Apr 1, 2014) % Shareholding ^{2/} -None- Family Relationship with Directors and Executives -None-	<ul style="list-style-type: none"> - Thai Bar Association - Bachelor of Law, Ramkhamhaeng University - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Successful Formulation & Execution of Strategy (SFE), Year 2023 	Jan 1, 2020 – Present Apr 1, 2014 – Present Apr 1, 2014 – Dec 31, 2019	Head of Legal Group Executive Vice President Head of Legal Division	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and Training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
15. Miss Ninlawan Jeeraboon Age 54 years - Head of Transaction Banking Group (Jan 1, 2023) - Executive Vice President (Apr 1, 2020) % Shareholding ^{2/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration, Southern Illinois University - Bachelor of Accountancy, Chulalongkorn University - Certified Public Accountant (CPA Thailand) - Postgraduate Diploma in Auditing, Thammasat University	Jan 1, 2023 – Present	Head of Transaction Banking Group	Bank of Ayudhya PCL
		Apr 1, 2020 – Present	Executive Vice President	
		Apr 1, 2018 – Dec 31, 2022	Head of Products Division	
		Sep 28, 2010 – Mar 31, 2020	Senior Vice President	
16. Mrs. Thidarat Sethavaravichit Age 54 years - Executive Vice President, Head of Corporate Secretariat Department (Apr 1, 2023) - Corporate Secretary and Secretary to the Board of Directors (Jul 1, 2008) % Shareholding ^{2/} 0.0000% (1,000 shares) Family Relationship with Directors and Executives -None-	- EMBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University - LL.M., Case Western Reserve University, Ohio, USA - Barrister at Law, Thailand - Bachelor of Laws, Chulalongkorn University - Master Class 'Corporate Governance and Director Duties Excellence 2017', Singapore - CG Code Workshop, PwC, Year 2018 - IT Security Trend Update, Year 2018 - Company Secretary Forum 2019 'Role of the Company Secretary in Shaping Corporate Culture', Year 2019 - ACSN & ACGA Webinar: 'Impact of COVID-19 on Annual General Meetings in Asia-Pacific, with specific reference to ASEAN', Year 2020 - ACSN: Board of the Future: 'How will the role of the Company Secretary evolve?', Year 2020	Apr 1, 2023 – Present	Executive Vice President, Head of Corporate Secretariat Department	Bank of Ayudhya PCL
		Jul 1, 2008 – Present	Corporate Secretary and Secretary to the Board of Directors	
		Jul 1, 2010 – Mar 31, 2023	Senior Vice President, Head of Corporate Secretariat Department	
		Jul 1, 2008 – Feb 14, 2023	Secretary to the Executive Committee	

Name – Surname Age and Position (Appointment Date)	Education and Training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
16. Mrs. Thidarat Sethavaravichit (Cont')	<ul style="list-style-type: none"> - Preliminary to Corporate Sustainability, Year 2020 - Innovation for Society, Year 2021 - Company Secretary's Roles in Enhancing CG Regarding Anti - Corruption, Year 2021 - Company Secretary Forum: Empowering Board Evaluation Through the Company Secretary Lens, Year 2021 - National Director Conference, Year 2022 - Company Secretary 1/2022: Company Secretary Challenges in Building Trust in the Board, Year 2022 - Director's Briefing 1/2023 Integration: The forgotten cousin of M & A, Year 2023 - ESG: Topic 1 'Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand' (Session 1-2), Year 2023 - Company Secretary Forum: 2023: The role of the company secretary in driving ESG, Year 2023 - ESG: Topic 2 'New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure)', Year 2023 - ESG: Topic 3 'Transition Finance: Commercial Banks' Decarbonization Pathway & MUFG's Case Study – Transition Whitepaper', Year 2023 			

Name – Surname Age and Position (Appointment Date)	Education and Training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
16. Mrs. Thidarat Sethavaravichit (Cont')	<ul style="list-style-type: none"> - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Subsidiary Governance Program (SGP), Year 2022 • Ethical Leadership Program (ELP), Year 2021 • Corporate Governance for Executives (CGE), Year 2014 • Director Certification Program (DCP), Year 2012 • Board Reporting Program (BRP), Year 2009 • Company Secretary Program (CSP), Year 2002 			

Remarks: ^{1/} Acts as person with managerial authority under the Bank of Thailand (BoT)'s definition and holds the directorship in subsidiaries and/or any other companies.

In addition, there are another 17 Krungsri's executives acting as persons with managerial authority under BoT's definition and holding the directorships in subsidiaries and/or any other companies, as follows:

- | | |
|-----------------------------------|--|
| 1. Mr. Rottapron Ekabutr | Director (Authorized Signatory), National Digital ID Co., Ltd. |
| 2. Mr. Teeraphong Mahatham | Director (Authorized Signatory), Ratana Inter-trading Co., Ltd. |
| | Director, Bangkok Asset Intergroup Co., Ltd. |
| 3. Miss Pisara Pattanasiri | Director, SHBank Finance Company Limited |
| | Director, Krungsri Ayudhya AMC Ltd. |
| | Chairman (Authorized Signatory), Siam Realty and Services Security Co., Ltd. |
| 4. Miss Yaowaluck Charnyapornpong | Director (Authorized Signatory), D-Net Solution Co., Ltd. |
| 5. Miss Saisunee Hanprathueangsil | Director, Affiniti Marketing Pty Ltd. |
| | Director, Affinity Group (Singapore) Pty Ltd. |
| | Director, Affinity Group (Thailand) Ltd. |
| | Director (Authorized Signatory), Krungsri Asset Management Co., Ltd. |
| | Director, Krungsri Finnovate |
| | Director (Authorized Signatory), Krungsri Nimble Co., Ltd. |
| 6. Miss Montira Arayangkoon | Director, Ayudhya Capital Services Co., Ltd. |
| 7. Miss Kanokwan Supanuntarerk | Director, Krungsri Asset Management Co., Ltd. |
| 8. Miss Chayathip Phanmanee | Director, SHBank Finance Company Limited |
| | Chairman (Authorized Signatory), Krungsri Leasing Services Co., Ltd. |
| | Director (Authorized Signatory), Ayudhya Capital Auto Lease PCL |
| 9. Mr. Somwang Toraktrakul | Director (Authorized Signatory), Krungsriayudhya Card Co., Ltd. |
| 10. Mrs. Orawan Sujarittayon | Director (Authorized Signatory), Atulo Co., Ltd. |
| | Director Krungsri Securities PCL |
| 11. Mr. Congsin Congcar | Director (Authorized Signatory), Krungsri Capital Services Co., Ltd. |
| | Director (Authorized Signatory), Ayudhya Capital Auto Lease PCL |
| 12. Mr. Chaiwat Jullamon | Director (Authorized Signatory), Krungsri Nimble Co., Ltd. |
| | Director (Authorized Signatory), Ayudhya Development Leasing Co., Ltd. |
| 13. Mr. Thongchai Vajapattana | Director, Ben Decs Co., Ltd. |

14. Mr. Tetsu Nakagawa
Director, Ayudhya Capital Auto Lease PCL
Director, Krungsri Asset Management Co., Ltd.
Director (Authorized Signatory), Krungsri Capital Services Co., Ltd.
Director, Krungsriayudhya Card Co., Ltd.
Director (Authorized Signatory), Total Services Solutions PCL
Director (Authorized Signatory), Krungsri Securities PCL
15. Mrs. Passanee Udompanich
Chairman (Authorized Signatory), Krungsri Capital Services Co., Ltd.
Chairman (Authorized Signatory), Krungsriayudhya Card Co., Ltd.
Chairman (Authorized Signatory), General Card Services Ltd.
Director (Authorized Signatory), Total Services Solutions PCL
Chairman (Authorized Signatory), Lotus's Money Services Ltd.
16. Miss Nayanee Peaugkham
Director, Krungsri Capital Services Co., Ltd.
Director, Ayudhya Capital Auto Lease PCL
Director (Authorized Signatory), Krungsri Capital Securities PCL.
17. Mrs. Akanit Mattison

^{2/} Including spouse and minor children.

THE PERSON HAVING ACCOUNTING CONTROL

Name – Surname Age and Position (Appointment Date)	Education and Training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
Mr. Kriangsak Jongsukgiparnich ^{1/} Age 54 years - Executive Vice President (Mar 1, 2016) - Head of Accounting Division, Finance Group (Jan 7, 2015) % Shareholding ^{2/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Finance), Western Michigan University, USA - Bachelor of Faculty of Commerce and Accountancy (Cost Accounting), Chulalongkorn University External Trainings: - Certified Public Accountant (CPA Thailand) - Maximize Shareholder Value 2024 ^{3/} - Accounting for Digital Assets ^{3/} - Significant TFRSs and Tax Matter for 2024 ^{3/} - eLearning related to Accounting Profession and Subjects ^{3/}	Mar 1, 2016 – Present	Executive Vice President	Bank of Ayudhya PCL
		Jan 7, 2015 – Present	Head of Accounting Division, Finance Group	
		Work Experiences in Accounting and Finance:		
		Jun 2023 – Present	Head of Supervisory Board – Board of Supervisors	SHB Finance
		Nov 2023 – Present	Member of Audit Committee	PT. Home Credit Indonesia
		Jan 7, 2015 – Apr 30, 2018	Acting Head of Operational Controllershship Department, Finance Group	Bank of Ayudhya PCL
		Other Companies/ Organizations		
		May 5, 2017 – Jul 21, 2019	Director (Authorized Signatory)	Krungsri Factoring Co., Ltd.
		Others (in the last 7 years): None Positions receiving remuneration in for-profit companies/ organizations: None		

Remarks: ^{1/} The person taking direct responsibility in supervising accounting with qualifications and requirements according to the notification of the Department of Business Development.

^{2/} Including spouse and minor children.

^{3/} The orientation course in continuing development course in accounting (External and Internal trainings), total 40 hours.

CORPORATE SECRETARY

Name – Surname Age and Position (Appointment Date)	Education and Training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
Mrs. Thidarat Sethavaravichit Age 54 years - Executive Vice President, Head of Corporate Secretariat Department (Apr 1, 2023) - Corporate Secretary and Secretary to the Board of Directors (Jul 1, 2008) % Shareholding ^{1/} 0.0000% (1,000 shares) Family Relationship with Directors and Executives -None-	- EMBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University - LL.M., Case Western Reserve University, Ohio, USA - Barrister at Law, Thailand - Bachelor of Laws, Chulalongkorn University - Master Class 'Corporate Governance and Director Duties Excellence 2017', Singapore - CG Code Workshop, PwC, Year 2018 - IT Security Trend Update, Year 2018 - Company Secretary Forum 2019 'Role of the Company Secretary in Shaping Corporate Culture', Year 2019 - ACSN & ACGA Webinar: 'Impact of COVID-19 on Annual General Meetings in Asia-Pacific, with specific reference to ASEAN', Year 2020 - ACSN: Board of the Future: 'How will the role of the Company Secretary evolve?', Year 2020 - Preliminary to Corporate Sustainability, Year 2020 - Innovation for Society, Year 2021 - Company Secretary's Roles in Enhancing CG Regarding Anti- Corruption, Year 2021 - Company Secretary Forum: Empowering Board Evaluation Through the Company Secretary Lens, Year 2021	Apr 1, 2023 – Present	Executive Vice President, Head of Corporate Secretariat Department	Bank of Ayudhya PCL
		Jul 1, 2008 – Present	Corporate Secretary and Secretary to the Board of Directors	
		Jul 1, 2010 – Mar 31, 2023	Senior Vice President, Head of Corporate Secretariat Department	
		Jul 1, 2008 – Feb 14, 2023	Secretary to the Executive Committee	

Name – Surname Age and Position (Appointment Date)	Education and Training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
Mrs. Thidarat Sethavaravichit (Cont')	<ul style="list-style-type: none"> - National Director Conference 2022, Year 2022 - Company Secretary 1/2022: Company Secretary Challenges in Building Trust in the Board, Year 2022 - Director's Briefing 1/2023 Integration: The forgotten cousin of M & A, Year 2023 - ESG: Topic 1 'Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand' (Session 1-2), Year 2023 - Company Secretary Forum: 2023: The role of the company secretary in driving ESG, Year 2023 - ESG: Topic 2 'New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure)', Year 2023 - ESG: Topic 3 'Transition Finance: Commercial Banks' Decarbonization Pathway & MUFG's Case Study – Transition Whitepaper', Year 2023 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) <ul style="list-style-type: none"> • Subsidiary Governance Program (SGP), Year 2022 • Ethical Leadership Program (ELP), Year 2021 • Corporate Governance for Executives (CGE), Year 2014 			

Name – Surname Age and Position (Appointment Date)	Education and Training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
Mrs. Thidarat Sethavaravichit (Cont')	<ul style="list-style-type: none"> • Director Certification Program (DCP), Year 2012 • Board Reporting Program (BRP), Year 2009 • Company Secretary Program (CSP), Year 2002 			

Remark: ^{1/} Including spouse and minor child.

Roles and Responsibilities of the Corporate Secretary

1. Fulfill the duties of Corporate Secretary as stipulated by laws and as assigned by the Board of Directors;
2. Ensure that the various activities of the Board of Directors are in compliance with relevant laws, rules, and regulations;
3. Organize shareholder meetings and Board of Directors meetings, and prepare meeting minutes in compliance with laws and the Bank's Articles of Association, including follow-up of matters arising from meeting resolutions;
4. Advise the Board of Directors on relevant legal issues, rules, and the Bank's Articles of Association as needed in the performance of their duties for the benefit of Krungsri;
5. Arrange for an orientation and provide information to newly appointed directors;
6. Coordinate and exchange knowledges with secretaries of the committees reporting to the Board of Directors and company secretaries of subsidiaries in order to increase efficiency of the corporate governance.

DIRECTORS, EXECUTIVES AND PERSONS WITH MANAGERIAL AUTHORITY WHO HOLD THE OFFICES IN THE SUBSIDIARIES, JOINT VENTURES, ASSOCIATE AND RELATED COMPANIES

List of Companies		Krungsri	Subsidiaries																Joint Ventures		Associate	Related Companies						
List of Names	1		2	3	4	5	6-7	8	9	10	11	12	13	14	15	16	17-19	20	21-23	1-3		4	1	2	3	4	5	6-30
1. Mr. Noriaki Goto		A1, A4																										
2. Dr. Jamlong Atikul		A2, A4																				A1						
3. Mr. Kenichi Yamato		B																										
4. Mrs. Tongurai Limpiti		A4																										
5. Dr. Wittaya Watcharawittayakul		A4																										
6. Mr. Jiro Omori		A3																							C	C		
7. Mr. Virat Phairatphiboon		A3																					A1, A4					
8. Professor Dr. Sakda Thanitcul		A4																										
9. Miss Nopporn Tirawattanagool		A3																										
10. Mr. Masakazu Osawa		A3																									A3	
11. Mr. Pornsanong Tuchinda		A3																										
12. Miss Duangdao Wongpanitkrit		A3, C	A3					A3																				
13. Mr. Bunsei Okubo		C																										
14. Mr. Phonganant Thanattrai		C	A1				A3			A1			A1										A3					
15. Mr. Sayam Prasitsirigul		C						A3																				
16. Mr. Chandrashekar Subramanian Krishoolndmangalam		C	A3	A1	A1						A3			A3	A1	A1					A3	A1						
17. Miss Puntipa Hannoraset		C																										
18. Mr. Pairote Cheunkrut		C	A3		A1			A1																				
19. Mr. Vasin Udomratchatavanich		C		A3																		A3						
20. Mr. Prakob Phiencharoen		C							A3																			
21. Miss Duangkamol Limpuangthip		C																										
22. Mr. Kittichai Singha		C																										
23. Mr. Hirotaka Kuroki		C																										
24. Mr. Wirote Chuenratanakul		C											A3					A3										
25. Mr. Yoshio Ueyama		C																										
26. Mr. Thitivorn Chothayaphorn		C																										
27. Miss Ninlawan Jeeraboon		C																										
28. Mrs. Thidarat Sethavaravichit		C																										

A1 = Chairman

A2 = Vice Chairman

A3 = Director / Commissioner

A4 = Independent Director

B = President and Chief Executive Officer /
Managing Director / President

C = Executive

Subsidiaries

1. Hattha Bank Plc.
2. Krungsri Ayudhya AMC Ltd.
3. Krungsri Nimble Co., Ltd.
4. Ayudhya Development Leasing Co., Ltd.
5. Ayudhya Capital Auto Lease PCL
6. General Card Services Ltd.
7. Ayudhya Capital Services Co., Ltd.
8. Krungsriayudhya Card Co., Ltd.
9. Krungsri Finnovate Co., Ltd.
10. Krungsri Securities PCL
11. Krungsri Asset Management Co., Ltd.
12. HC Consumer Finance Philippines, Inc.
13. HCPH Financing 1, Inc.
14. Krungsri Capital Securities PCL
15. SHBank Finance Company Limited
16. PT Home Credit Indonesia
17. Krungsri Leasing Services Co., Ltd.
18. Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd.
19. Siam Realty and Services Security Co., Ltd.
20. Total Services Solutions PCL
21. Krungsri Genesis Co., Ltd. (formerly Krungsri Life Assurance Broker Ltd.)
22. Krungsri General Insurance Broker Ltd.
23. Hattha Services Co., Ltd.

Joint Ventures

1. Lotus's Money Services Ltd.
2. Lotus's Life Assurance Broker Ltd.
3. Lotus's General Insurance Broker Ltd.
4. SB Finance, Inc.

Associate

1. Ngern Tid Lor PCL

Related Companies

1. Regional Container Lines PCL
2. Eastern Star Real Estate PCL
3. MUFG Bank, Ltd. (Tokyo, Japan)
4. Mitsubishi UFJ Financial Group
5. Mitsubishi UFJ Trust and Banking Corporation
6. Grand Canal Land PCL
7. Srivichaivejvitat PCL
8. Siam City Cement PCL
9. BBTV Asset Management Co., Ltd.
10. CKS Holdings Co., Ltd.
11. Super Assets Co., Ltd.
12. CKR Co., Ltd.
13. The Bangkok Lighters Co., Ltd.
14. The Thai Tapioca Flour Produce Co., Ltd.
15. Cyber Venture Co., Ltd.
16. Khao Kheow Country Club Co., Ltd.
17. Siam Purimongkol Co., Ltd.
18. Grand Fortune Co., Ltd.
19. Bangkok Broadcasting & TV Co., Ltd.
20. BBTV Satelvision Co., Ltd.
21. GL Asset Co., Ltd.
22. Mahakij Holdings Co., Ltd.
23. BBTV Productions Co., Ltd.
24. BBTV Alliance Ltd.
25. BBTV Bond Street Building Ltd.
26. ITBC Business Consultant Group Co., Ltd.
27. Exclusive Senior Care International Co., Ltd.
28. BBTV International Holdings Co., Ltd.
29. Sunrise Equity Co., Ltd.
30. BBTV Equity Co., Ltd.

ATTACHMENT 2: DETAILS OF SUBSIDIARIES' DIRECTORS

The Bank has 19 subsidiaries. 19 companies do not have a significant implication because their revenues are not more than 10% of the total revenue shown in the consolidated Profit & Loss Statement of the latest fiscal year. Therefore, no list of directors of those companies shall be disclosed.

ATTACHMENT 3: HEAD OF COMPLIANCE GROUP

At present, the Bank's Compliance Group is under the supervision of Mr. Kittichai Singha, Chief Compliance Officer, First Executive Vice President, Compliance Group

Academic degrees and certificates

- Master of Arts (International Affairs and Diplomacy), Thammasat University
- Bachelor of Arts (English and Business Administration), Srinakharinwirot University Patumwan

Relevant work experience

- Nov 2023 – Present: Chairman of Compliance Club, TBA: The Thai Bankers' Association
- Mar 2023 – Present: Director, Compliance Club, Association of Thai Securities Companies (ASCO)
- Dec 2022 – Present: Chief Compliance Officer, Data Protection Officer, and First Executive Vice President, Bank of Ayudhya PCL
- Feb 2021 – Nov 2022: Executive Director, Group Head of Compliance, Ascend Money Group
- Feb 2021 – Nov 2022: Head of Compliance, True Money Co., Ltd., Ascend Wealth Co., Ltd., Ascend Nano Co., Ltd., Ascend Assurance Broker Co., Ltd., Ascend Innovation Co., Ltd.
- Feb 2021 – Nov 2022: A member of the Board of Directors and Audit Committee, True Money Philippines Ltd.
- Apr 2020 – Dec 2020: Executive Vice President, Head of Compliance, Data Privacy Officer, TMB Bank PLC
- 2018 – 2020: Executive Vice President, Head of Compliance and Corporate Governance, Data Privacy Officer, Thanachart Bank PLC
- 2018: Senior Vice President, Country Compliance Officer, Sumitomo Mitsui Banking Corporation (Bangkok Branch)
- 2004 – 2018: Senior Vice President, Regulatory Compliance Head and Head of Consumer Banking Compliance, Citibank N.A. Thailand

HEAD OF INTERNAL AUDIT GROUP

The Bank's internal audit function is under the supervision of Ms. Puntipa Hannoraseth, First Executive Vice President and Head of Internal Audit Group.

Academic degrees and certificates

- Master of Business Administration, Thammasat University
- Bachelor of Accounting (First Class Honors), Thammasat University
- Certified Public Accountant
- Certified Internal Auditor, and
- Advanced Audit Committee Program Certificate

Current Position

- **Position in Bank of Ayudhya PCL**
 - Apr 1, 2013 – Present: First Executive Vice President
 - Sep 16, 2010 – Present: Secretary to the Audit Committee
 - Apr 27, 2009 – Present: Head of Internal Audit Group
 - Jan 7, 2015 – Apr 15, 2017: Acting Head of Internal Audit Division
 - Jan 7 – May 6, 2015: Acting Head of Credit Examination Division
- **Position in non-listed companies/organizations**
 - 2023 – Present: Chairman of the Board of the Bank and Financial Institution Internal Auditors Club

Training

- Global Leadership Program, International Institute for Management Development (IMD)
- Audit Committee Program (ACP)
- Monitoring the Internal Audit Function (MIA)
- Monitoring Fraud Risk Management (MFM)
- Monitoring the Quality of Financial Reporting (MFR)
- Monitoring the System of Internal Control and Risk Management (MIR)
- Thai Institute of Directors Association: Company Secretary Program
- The Institute of Internal Auditors of Thailand

Appointments, transfers, employment termination, remuneration, and annual merit payment consideration for this position are evaluated and endorsed by the Audit Committee.

ATTACHMENT 4:

DETAILS OF APPRAISED VALUE OF ASSETS

-None-

ATTACHMENT 5:

CORPORATE GOVERNANCE POLICIES AND GUIDELINES (FULL VERSION)

It can be viewed on the Bank's website, <https://www.krungsri.com> in the '**About Us**' section, '**Corporate Governance**' subsection and select '**Good Corporate Governance Principles**' or scan QR code to download full version of the report.



CODE OF BUSINESS CONDUCTS (FULL VERSION)

It can be viewed on the Bank's website, <https://www.krungsri.com> in the '**About Us**' section '**Company Overview**' subsection and select '**The Spirit and The Letter**' or scan QR code to download full version of the report.



ATTACHMENT 6: REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Bank of Ayudhya Public Company Limited comprises four independent directors, who have sufficient knowledge and experience to reliably review the financial statements and the Chairman of the Audit Committee does not serve as the Chairman of the Board of Directors and any other sub-committees. The members of the Audit Committee are:

1. Ms. Tongurai Limpiti	Chairman of the Audit Committee
2. Dr. Jamlong Atikul	Audit Committee Member
3. Dr. Wittaya Watcharawittayakul	Audit Committee Member
4. Prof. Dr. Sakda Thanitcul	Audit Committee Member

Ms. Puntipa Hannoraseth, Head of Internal Audit Group, serves as the Secretary to the Audit Committee.

The Audit Committee performs its tasks as per the scopes and responsibilities specified in the Audit Committee Charter as assigned by the Board of Directors. In 2023, the Audit Committee held a total of 14 meetings with management and senior executives in charge of concerned units and internal auditors. Also the Committee held two meetings with the external auditor without the presence of the management and two meetings with the Subsidiaries' Audit Committee, and reported the results of each meeting to the Board of Directors for acknowledgement. The details of actions taken by the Audit Committee can be summarized as follows:

- **Financial reports**

The Audit Committee has reviewed the Bank's quarterly, semi-annual and annual financial statements as well as the consolidated financial statements of the Bank and its subsidiaries by holding meetings with the external auditor and executives of the Accounting Division to consider financial statements. In this regard, it is of the opinion that financial reports of the Bank and its subsidiaries and any disclosed documents relating to the Bank's financial performance are accurate, adequate, reliable and reflect the true and fair view of the financial status of the Bank and comply with accounting standards, practices, and the requirements of the Bank of Thailand and the Office of the Securities and Exchange Commission. The Audit Committee has also considered external auditor's audit plans or scopes to ensure they cover material risks and financial reporting requirements including the follow-up process to ensure audit findings are correctly, appropriately, and timely rectified. In addition, the Audit Committee held special meetings with the external auditor without the presence of the management to enquire about independence in performing their duties and expressing opinions, cooperation obtained from the Bank as well as issues that may result in significant loss or fraud. In 2023, the auditor did not have any material findings or reports of any suspicious behavior.

- **Internal control system and internal audit**

The Audit Committee has reviewed effectiveness and adequacy of the internal control system by considering internal audit results of the Bank and the companies in the financial business group (the Bank and the group companies), the results of internal control adequacy assessment by using the internal control assessment form developed by the Office of the Securities and Exchange Commission under the concept of COSO (the Committee of Sponsoring Organizations of the Treadway Commission), a summary of fraud investigation reports, as well as reviewing and monitoring of the Bank's and the group companies' findings identified by the regulatory authorities as well as the external auditor.

The Audit Committee is of the opinion that the internal control system of the Bank and its group companies is sufficient, appropriate and effective, while root causes were specified, rectification actions and preventive measures were appropriately undertaken. The Audit Committee acknowledged the assessment results of the Internal Control over Financial Reporting process and concluded that internal controls and the financial reporting preparation process were designed and implemented effectively. In 2023, there were no significant risks or errors reported.

For internal audit activities, the Audit Committee considered the independence and adequacy of internal audit resources and endorsed the revision of the Charter and the Internal Audit Policy of the Internal Audit Group before submission to the Board of Directors. It also approved staff development and training plan, annual audit plans, and revised audit plans,

monitored the progress of the Internal Audit Group's medium-term business plan on a quarterly basis and auditing activities on a monthly basis, and regularly provided recommendations to the Internal Audit Group. To cultivate corporate culture and uplift compliance procedures, the Audit Committee encourages and supports the Bank and the companies in the financial business group to advance risk management and internal controls, of which assessment is fairly conducted by the Internal Audit Group. The Audit Committee is of the opinion that the internal audit operation has been continuously developed, of which data analytic tools and technology have been integrated for the analysis of data and extending audit scope to cover more extensive samples. This includes defining audit criteria for both rule-based and risk-based approaches to improve risk identification. This integration enhances the bank's capacity to elevate preventive measures and respond to risks efficiently. This includes the implementation of Robotic Process Automation (RPA) systems, in repetitive processes and high-volume data processing to enhance audit efficiency. This adaptation ensures agility in the face of changing digital trends and promote proactive and constant audit deliverables.

In addition, the Audit Committee is of the opinion that the Head of Internal Audit Group has adequate educational background, work experience, and training to carry out her duties. An annual performance evaluation of the Head of Internal Audit Group was conducted by the Audit Committee.

The Audit Committee approved the annual credit review plan, the revised half-year credit review plan including considered, and enquired about findings identified in credit review results and follow-ups to corrective actions undertaken by departments concerned to ensure that the credit granting processes of the Bank and its group companies are appropriate.

- **Related party transactions or transactions that may create conflicts of interest**

The Audit Committee considered related party transactions or transactions that may create conflicts of interest before submission to the Board of Directors. The Audit Committee is of the opinion that they are conducted on an arm's length basis and that relevant information is transparently disclosed based on the principle of prudence, integrity, transparency and the Bank's optimized benefits.

- **Good governance**

The Audit Committee was one of the channels through which complaints from all stakeholders are accepted, the Audit Committee has acknowledged the results of complaint resolutions from responsible departments and is of the opinion that complaint resolution management has been appropriately and fairly conducted.

- **Risk management**

The Audit Committee considered minutes of the Risk and Compliance Committee and the Risk Management Committee meetings, and held meeting for exchanging views with the Risk and Compliance Committee, monitored the significant business expansion of the Bank, spanning both domestic and international. The Audit Committee also ensure the comprehensiveness of the risk management policies and strategies which should cover significant existing and new types of risk including new threats arisen which may have significant impacts on the Bank's financial business group. The Audit Committee continued to place emphasis on and monitor the Bank's actions taken on the environmental, social, and governance (ESG) initiatives for sustainable development, the assist and support customers on BOT soft loan and transformation loan as well as the Bank's adequacy of provisions for debts to ensure that they are carried out effectively and efficiently. In this regard, the Audit Committee is of the opinion that the Bank's risk management is adequate, and that preventive guidelines and measures are in place to appropriately handle potential situations.

The risk management of Information Security and Cybersecurity, the Audit Committee monitors measures to safeguard the confidentiality, integrity, and availability of information and information technology systems by considering the results of penetration testing (iPentest) to evaluate capabilities in prevention, detection, and response capability assessment, covering aspects of personnel, processes, and technology. Monitor the incident reports, as well as internal audit reports related to Information system performs by Internal Audit Group and external auditors, to ensures that the Bank has robust security measures in Information Security. Detection and response to cyber threats are timely, and risk management aligns with international standards.

- **Compliance with regulatory requirements**

The Audit Committee oversaw and monitored the operations, business undertaking or actions taken by the Bank and its group companies to ensure compliance with requirements and laws relevant to the banking business, as well as the Bank's policies and procedures, by considering the results of regulatory compliance supervision as per reports of the Compliance Committee and audit results reported by the Internal Audit Group, the Bank of Thailand, the Office of the Securities and Exchange Commission, and the external auditor on a regular basis.

- **External auditor**

The Audit Committee has considered, selected, and nominated the external auditor for the Bank and acknowledged the nomination of the external auditors of the companies in the Financial Business Group. In this regard, Deloitte Touche Tohmatsu Jaiyos Audit Company Limited was appointed as our external auditor for 2023 by taking into consideration the qualifications specified by the Bank of Thailand and the Office of the Securities and Exchange Commission, whereby a qualified auditor shall not have any relationships with or interest in the Bank, its management, major shareholders or related parties in a manner that affect the independent operations, and shall not hold positions such as director, employee, contractual staff or any positions in the Bank and its group companies. The Audit Committee also considered the appropriateness of audit fee in order to submit to the Board of Directors for further submission to the shareholders' meeting to approve the nomination of the auditor and the audit fee. In addition, the Audit Committee prudently considered the independence of the external auditor in providing non-audit services.

- **Others**

The Audit Committee Charter was annually reviewed to ensure the update. The Audit Committee has assessed its annual performance in order to ascertain that it has been efficient and effective and has achieved its objectives as assigned by the Board of Directors. In 2023, the overall assessment result is at the score of 4.00 out of 4.00.

The Audit Committee had performed its duties as specified in its Charter with prudence, independence, and transparency, and adhered to the principles of integrity and provided constructive comments and recommendations without any limitation in obtaining information, resources or cooperation from the Bank for equitable sharing of benefits among stakeholders, with the Bank's and its group companies' ultimate interest as a priority.

The Audit Committee is of the opinion that the financial statements of the Bank and its subsidiaries are fairly presented in all material aspects in accordance with financial reporting standards and regulatory requirements as well as with adequate and appropriate disclosure. It is also of the opinion that the external auditor is independent and has performed all its duties professionally. The Audit Committee notes that the Bank and the group companies have sound corporate governance, adequate and effective risk management, internal controls, and internal audits. The Bank has regularly monitored important changes so that it is well prepared to face potential risks that may arise in the future.



Ms. Tongurai Limpiti
Chairman of the Audit Committee

ATTACHMENT 7: REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Board of Directors is responsible for the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries and all financial information appearing in the Annual Registration Statement/Annual Report 2023 (Form 56-1 One Report). These financial statements have been prepared in accordance with Thai Financial Reporting Standards. The Bank has chosen appropriate accounting policies applied on consistent basis, including careful consideration together with prudent and the best estimations where necessary and adequate disclosures have been made in the notes to the financial statements. These financial statements have been audited by independent auditors who have given their unmodified opinions. The financial statements reflect the true and fair financial position and operating results of the Bank and its subsidiaries, thus being useful to all shareholders and investors.

The Board of Directors has also adopted and maintained appropriate and effective systems of risk management and internal control so that we can be reasonably assured that accounting records are accurate, complete, and adequate to maintain the assets of the Bank and these controls also identify weaknesses requiring preventive measures against fraud or other significant irregularities in the operations of the Bank.

In this regard, the Board of Directors has appointed an Audit Committee, independent directors, to be responsible for reviewing the quality of financial reporting and internal control mechanisms appropriately and efficiently and reviewing the Bank's performance in accordance with the laws relevant to the business of the Bank including the related party transactions to ensure that the aforementioned transactions are reasonable and optimized to the Bank. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee which is presented in the Form 56-1 One Report.

The Board of Directors is of the opinion that the Bank's internal controls are satisfactory and allow for reasonable confidence in the reliability of the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries for the year ended December 31, 2023.



Mr. Kenichi Yamato
President and Chief Executive Officer



Miss Duangdao Wongpanitkrit
Director

ATTACHMENT 8: REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) is appointed by the Board of Directors, and is currently composed of four Bank's directors, i.e. one Independent Director, namely Mr. Jamlong Atikul, who serves as Chairman of the NRC, and three Non-Executive Directors, namely Mr. Masakazu Osawa, Mr. Virat Phairatphiboon, and Ms. Nopporn Tirawattanagool. The current committee composition is in compliance with the Charter of the Nomination and Remuneration Committee (the NRC Charter) which stipulates that the NRC shall consist of at least three Bank's directors who are independent directors or non-executive directors whereby the Chairman must be an independent director.

In 2023, the NRC held a total of 16 meetings. Also, one meeting was held with the Risk and Compliance Committee to discuss Krungsri total rewards management to ensure that the Bank's remuneration policy could reflect important risks and is in accordance with the good corporate governance principle.

The key responsibilities of the NRC are as set forth in the NRC Charter. The NRC has performed supervisory roles with regard to nomination and remuneration and proposed the results of all deliberations for the Board's consideration with certain matters being further proposed to the shareholders' meeting as stipulated in the articles of association and as required by laws. Major undertakings of the NRC in 2023 could be summarized as follows:

- Selected and nominated candidates for directorship to replace the directors who retired by rotation or to fill vacancies according to the selection process taking into consideration the Board Skills Matrix which illustrates qualifications and diversified traits in terms of knowledge, competence, experience, and education to ensure effective board composition that is appropriately aligned with the Bank's business strategies. Also, considered and proposed for the Board's approval the nominations for the positions on the Board Committees.
- Nominated qualified candidates as the Bank's senior executives according to the nomination and remuneration process as well as appointed the highest-ranking executives of companies in the financial business group, both domestic and foreign, and nominated the Bank's senior executives to serve as board members in the companies in the financial business group to oversee their operations.
- Considered appropriate compensation for members of the Board and Board Committees as well as senior executives of the Bank taking into consideration their assigned scope of duties and responsibilities, the Bank's performance, general economic conditions, and relevant industry benchmarks prior to obtaining approval from the Board and/or shareholders.
- Considered reorganization of the Bank to ensure appropriateness and enhanced management efficiency.
- Supervised and provided recommendations on succession planning and the review of succession plan to enhance effectiveness and facilitate seamless transitions in critical positions to ensure smooth business operation.
- Considered and reported to the Board on the results of whistleblowing cases regarding employees at Senior Vice President level as well as reported and recommended courses of action to the Board on the results of whistleblowing cases involving employees at Executive Vice President level and above for the Board's decision as stipulated in the Policy for Whistleblowing.

In carrying out duties and responsibilities as set forth in the NRC Charter, the NRC has capitalized on full capabilities and performed the duties with prudence and transparency taking into consideration the relevant regulations, rules and laws and the good corporate governance principles for the maximum benefits of the Bank and all stakeholders.



Mr. Jamlong Atikul

Chairman of the Nomination and
Remuneration Committee

ATTACHMENT 9: REPORT OF THE RISK AND COMPLIANCE COMMITTEE

The Risk and Compliance Committee (RCC) consists of four directors as follows:

1. Mr. Virat Phairatphiboon	(Non-executive Director)	Chairman
2. Ms. Nopporn Tirawattanagool	(Non-executive Director)	Member
3. Mr. Pornsanong Tuchinda	(Non-executive Director)	Member
4. Mr. Jiro Omori	(Non-executive Director)	Member

Mr. Virat Phairatphiboon was appointed as the Chairman of the Risk and Compliance Committee since October 24, 2018.

Mr. Kittichai Singha, the Chief Compliance Officer, assumed the role of the Risk and Compliance Committee Secretary.

The Risk and Compliance Committee ('the Committee') was appointed by the Board of Directors to oversee the assessment, provide recommendation, and monitor the overall framework and practices pertaining to risk management and compliance related requirements. The Committee also has played the oversight role with respect to the good governance practices in compliance with established policies, procedures, and processes, preventing any undesirable consequences to the Bank and the companies within the Krungsri Financial Business Group.

In 2023, the Committee held 12 meetings where matters from each meeting were duly reported to the Board of Directors. The Committee's overall proceedings for the year 2023 can be summarized as follows:

1. The Policy Aspect

The Committee conducted reviews and made recommendations for 54 Policies of the Bank pertaining to risk management and compliance as well as other relevant policies, which were all endorsed and/or approved by the Board of Directors. The reviews were conducted to affirm that these policies remain consistent with regulatory requirements and directives as mandated by the regulators.

2. The Risk Management and Compliance Practices Aspect

The Committee had reviewed, monitored, and provided support on the overall risk parameters, including capital, liquidity, compliance, etc., to ensure that these risks and compliance measures remain effective for the Bank and companies within the Financial Business Group.

3. The Other Aspect

In accordance with the Notification of the Bank of Thailand No. SorNorSor. 3/2566, Re: Duties, Responsibilities and Composition of the Committee and Senior Executives of Financial Institutions and Parent Companies of Financial Business Groups, the Committee had two joint meetings to discuss and exchanged views with the Audit Committee with respect to oversight and auditing practices to maintain stability of doing business by the Bank and entities within the Financial Business Group.

Additionally, the Committee reviewed the 2023 Annual Compliance Report, which was reported to and endorsed by the Board of Directors prior to submission to the Bank of Thailand and other relevant regulators.

In conclusion, the Committee has faithfully performed roles and responsibilities as stipulated by the Charter with integrity and transparency under the corporate governance framework and in the best interest of the Bank and companies in the Financial Business Group. Furthermore, the Committee conducted the annual self-assessment and considered the results for developing its roles and responsibilities on a continuous basis.



Mr. Virat Phairatphiboon

Chairman of the Risk and Compliance Committee

For more information, please contact:
Environmental, Social and Governance Division
Bank of Ayudhya Public Company Limited
Tel.: 0-2296-2977
E-mail: irgroup@krungsri.com

Design: Graphic Station Company Limited



BANK OF AYUDHYA PUBLIC COMPANY LIMITED

1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120

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