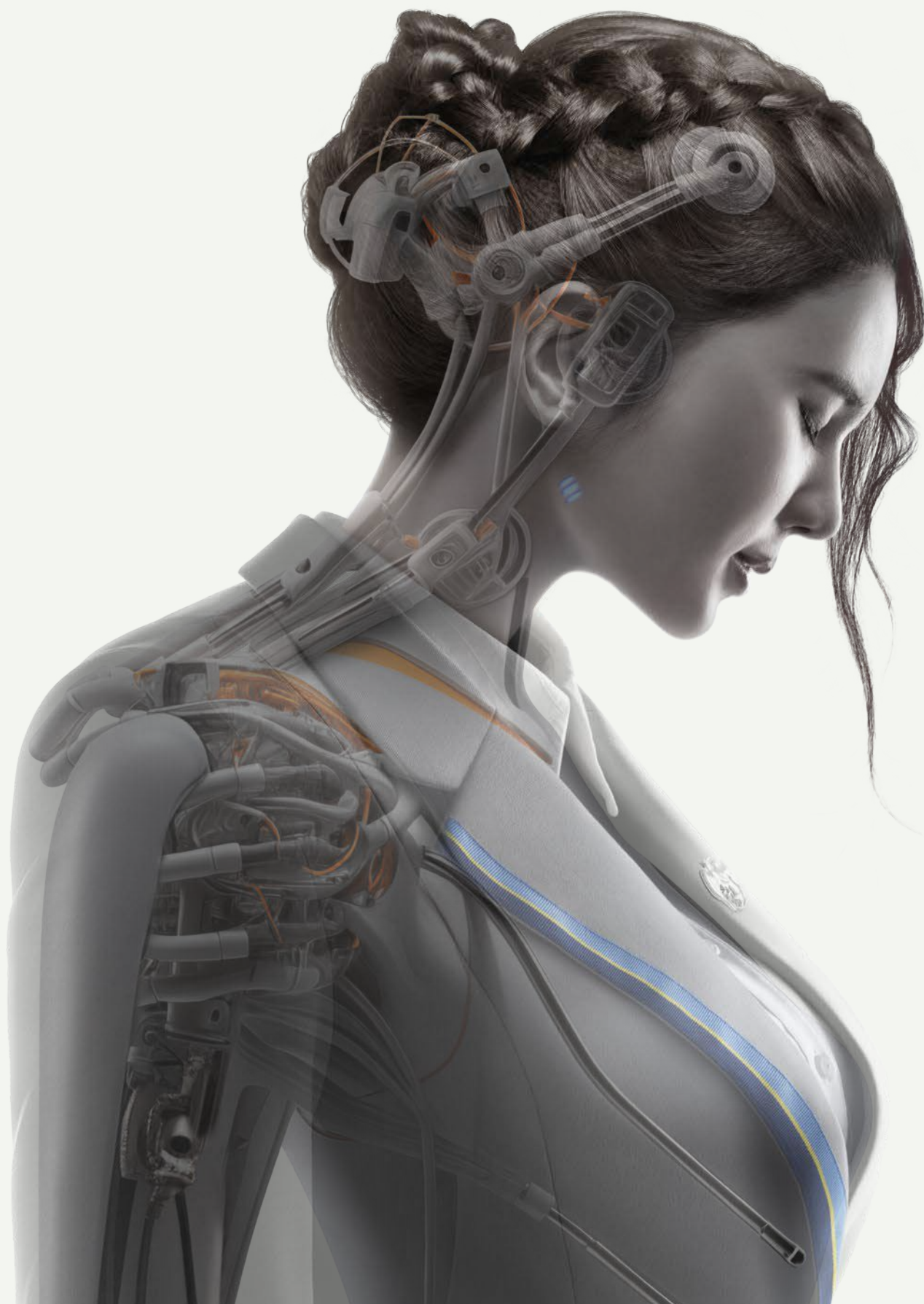


RESHAPING CLIENT VALUE PROPOSITION

Form 56-1 One Report 2023



7

STRATEGIC FOCUSES

Ingenious strategies enabling the Bank to harness the power of change and pursue its goals while sustainably transitioning into the new world

01 Unlock Disproportionate Value from X2G2X

Create value by conducting business with customers' partners, connecting all ecosystems—including G2B, G2C, B2B, and B2C—into one while addressing the needs of E2E supply chain customers across all dimensions.

02 Leverage Digital and Data to Drive Efficiency

Leverage digital technology and data to enhance service delivery, offering speed and modern efficiency, resulting in sustainable income for the Bank and optimizing employees' working time.

03 Launch New Growth Platforms

Develop new platforms that fully address customer needs, and use the collected data to accelerate and drive robust business growth.

04 Support Sustainable and Inclusive Growth

Support sustainable business practices and proudly contribute to driving the net-zero transition of the Thai people and Thailand.

05 Build Future Ready Capabilities

Boost future competitiveness by adopting AI and other emerging technologies to enhance operations and ensure proper and appropriate risk management.

06 Upgrade Core Technology Infrastructure

Upgrade the organization's core infrastructure to meet customer needs efficiently and securely, while ensuring scalability to accommodate a growing user base in the future.

07 Transform Culture: Embed New Ways of Working to Drive Organization Agility

Transform culture and cultivate new ways of working to drive the organization with agility while leveraging innovation to reshape client value proposition and address sustainability.





05

06

07

30 International Awards

01. Best CSR Bank Thailand 2023
02. Banking CEO of the Year Thailand 2023
03. Best Sustainability - Linked Bond
04. Most Sustainable Bank Thailand 2023
05. Banking CEO of the Year Thailand 2023
06. Best CSR Bank Thailand 2023
07. Best CSR Bank Thailand 2023
08. Excellence in Customer Service (Banking) - Thailand 2023
09. Best Social Impact Bank Thailand 2023
10. Most Socially Responsible Bank Thailand 2023
11. Best CSR Practices Bank in Thailand 2023
12. ESG Bond of the Year
13. Best Bank for ESG Thailand 2023
14. 2023 Asia-Pacific Sustainability Action Awards in the Field of Sustainability Action Awards
15. Global Corporate Sustainability Awards 2023 (GCSA) in the Field of Best Practice at Great Practice
16. 2023 Sustainability Awards in Sustainability Initiative of the Year Category
17. ESG Business Awards 2023 - Waste Management Award from the Waste Management Project under Care for the World Concept
18. ESG Business Awards 2023 - Biodiversity Conservation Award from UNDP Krungthai Loves Koh Tao
19. Banking CEO of the Year Thailand 2023
20. Best Banking CEO - Mr. Payong Srivanich
21. Best Customer Service Initiative
22. Best Banking CEO of the Year Thailand 2023
23. Best Banking CEO Thailand 2023 - Mr. Payong Srivanich
24. Best Banking HR Management App Thailand 2023
25. Top Publisher Awards 2023 - in the Field of Top 20 Thailand Headquartered Finance Publisher
26. Best HR Banking Application Thailand 2023 (ONE Krungthai Application - Work Place on Your Hand)
27. Investment in People
28. Human Resources Excellence Awards 2023 - Excellence in the Use of HR Tech
29. International Innovation Awards (IIA) 2023 - Service & Solution Category - WE CARE
30. Thailand Service Experience of the Year - Banking



37 National Awards

31. Sustainability Disclosure Award 2023 (Sustainability Disclosure Community: SDC)
32. Good Governance in Outstanding Consumer Treatment Award 2023 - CPN Property Company Limited
33. Real Impact Award 2022 in the Field of Social Promotion from Krungthai Loves Community Project
34. Real Impact Award 2565 in the Field of Governance
35. SET ESG Ratings Award 2023 at "AAA" Level
36. People Management Award 2022 in the Field of The Best of CEO People Leader
37. People Management Award 2022 in the Field of The Best Learning and Development
38. People Management Award 2022 in the Field of The Best Performance Management
39. People Management Award 2022 in the Field of The Best Talent Management
40. THAILAND TOP CEO OF THE YEAR 2023 in the Field of Banking Industry
41. IAA Awards for Listed Companies 2022 - Outstanding CEO
42. IAA Awards for Listed Companies 2022 - Outstanding CFO
43. Quality Persons of the Year 2023 - Mr. Payong Srivanich, Model of Financial and Banking Business Sector of the Year
44. Bank of the Year 2023
45. Human Rights Awards 2023 in Big Business Organization Category at Good Level
46. Prime Minister's Digital Award 2022 under the DIGITAL INFINITY Scheme for Receiving "Digital Organization of The Year" Award
47. CHIEF INNOVATION OFFICER (CIO)
48. Finalist Best Brand Performance on Social Media - Bank
49. Excellence in Data-Driven Marketing (Gold)
50. Marketing Team of the Year (Gold)
51. Excellence in Customer Engagement (Silver)
52. Excellence in Marketing to a Specific Audience (Silver)
53. Excellence in Performance Marketing (Silver)
54. Excellence in Consumer Insights / Market Research (Bronze)
55. Excellence in COVID-19 Related Campaigns (Bronze)
56. Excellence in Search Marketing (Bronze)
57. Marketing Award of Thailand 2023 (Bronze) : Sustainable Marketing
58. LINE THAILAND AWARDS 2022 - "BEST OFFICIAL ACCOUNT IN FINANCE & INSURANCE"
59. Best Design Excellence Award
60. TAB Digital Inclusive Awards 2023
61. Organization Promoting Employment of People with Disabilities Award 2023
62. ISMED Top MSMEs Achievement Awards 2023 in the Category of SMEs Sustainable Growth Award
63. Royal Award for SMEs Excellence Awards 2023 (Gold)
64. Royal Award for SMEs Excellence Awards 2023 (Silver)
65. Corporate Governance Report of Thai Listed Companies 2022: CGR Excellence
66. Corporate Governance Report of Thai Listed Companies 2023: CGR Excellence (5 Star) Award
67. Compliance Award



Krungthai asava uniform

THE NEW YOU IN THE UNIFORM

Krungthai Bank, in collaboration with ASAVA, Thailand's leading luxury brand, has revamped its employee uniform around three key themes: **Sport & Modern**, **Trustworthy**, and **Friendly**. The pieces are designed for versatility, allowing for mix-and-match combinations to suit various operations and complement the wearer's personality, unveiling THE NEW YOU IN THE UNIFORM. The new uniform aims to modernize and add flexibility to employees' appearances while boosting credibility, befitting the staff of the nation's leading commercial bank, which has supported the Thai people for nearly six decades.

Krungthai Bank is also environmentally conscious, contributing to waste reduction by **recycling disused PET bottles or clear plastic bottles into fabric for producing employee polo shirts, with each shirt using about 12-15 bottles**. This initiative demonstrates a firm commitment to reducing natural resource use, energy consumption, and greenhouse gas emissions. It reflects the Bank's endeavor to care for the planet and make it a better place to live, aligning with Krungthai's vision of "Growing Together for Sustainability."

12-15
PET bottles



per production
of 1 polo shirt



“

Sport & Modern

Designed for modernity and flexibility, the uniform enhances agility at work.

Friendly

It projects friendliness towards all customers.



Trustworthy

The uniform symbolizes the trustworthiness of a financial institution that has stood by the Thai people for a long time.

”

MOO - Polpat Asavaprapha

Thailand's prominent fashion designer



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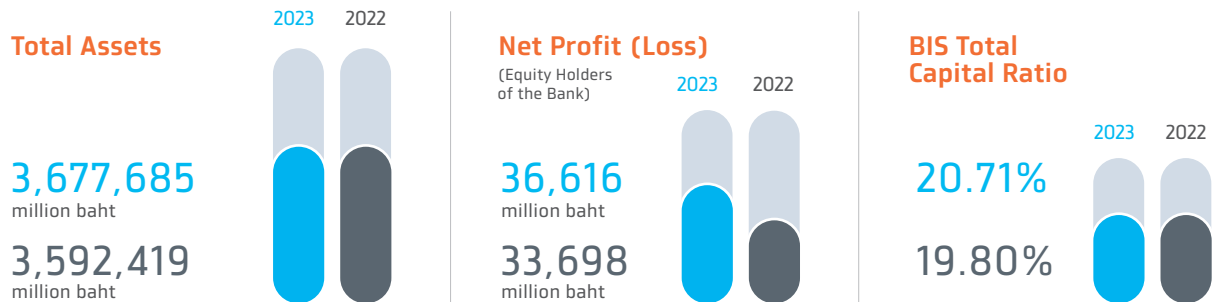
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FINANCIAL HIGHLIGHTS



Consolidated Financial Statements (Unit : million baht)

	2023	2022	2021	2020	2019
Financial Position					
Total Assets	3,677,685	3,592,419	3,556,744	3,327,780	3,012,216
Loans (Less Deferred Revenue)	2,576,516	2,592,838	2,628,963	2,334,842	2,089,873
Total Deposits	2,646,872	2,590,236	2,614,747	2,463,225	2,155,865
Total Liabilities	3,256,838	3,199,847	3,182,633	2,972,717	2,663,890
Total Equity (Equity Holders of the Bank)	402,377	376,305	360,052	343,466	338,287
Operating Performance					
Interest Income	152,369	113,475	104,832	112,837	122,971
Interest Expense	38,950	23,070	21,460	24,494	34,655
Net Interest Income	113,419	90,405	83,372	88,343	88,316
Non-Interest Income	36,046	34,986	32,414	33,905	37,342
Total Operating Income	62,157	54,770	52,731	53,465	62,474
Pre-Provision Profit	87,308	70,621	63,055	68,783	63,184
Less Expected Credit Losses	37,085	24,338	32,524	44,903	23,814
Less Income Tax	9,902	9,077	5,975	4,441	7,232
Net Profit (Loss)	40,321	37,206	24,556	19,439	32,138
Net Profit (Loss) (Equity Holders of the Bank)	36,616	33,698	21,588	16,732	29,284
Financial Ratios					
Return on Average Assets (ROA) (Equity Holders of the Bank)	1.01	0.94	0.63	0.53	1.02
Return on Average Equity (ROE) (Equity Holders of the Bank)	9.40	9.15	6.14	4.91	9.09
Net Interest Margin (NIM)	3.22	2.60	2.49	2.91	3.22
Cost to Income Ratio	41.59	43.68	45.54	43.73	49.72
NPL / Loans	3.08	3.26	3.50	3.81	4.33
Coverage Ratio/Allowance for Doubtful Accounts of Non-Performing Loans	181.3	179.7	168.8	147.3	131.8
Tier 1 Capital	17.62	16.69	16.86	15.79	15.24
BIS Total Capital Ratio	20.71	19.80	20.12	19.11	19.01
Share Information					
Book Value per Share (Equity Holders of the Bank) (Baht)	28.78	26.91	25.75	24.57	24.20
Earning per Share (EPS) (Baht)	2.62	2.41	1.54	1.20	2.09
Dividend per Share (Baht)	N/A	0.682	0.418	0.275	0.753



MESSAGE FROM THE CHAIRMAN

In 2023, Thailand continued to face multiple challenges, more so than in the previous years. These challenges stemmed from a global economic downturn and uncertainties caused by high interest rates following the U.S. Federal Reserve and the European Central Bank's continuous policy rate hikes. Additionally, China's economic recovery was hampered by problems within its real estate sector, lackluster economic stimuli, and geopolitical tensions. These factors strained global value chains, impacting world merchandise trade volume, and led to volatile commodity prices. Domestically, Thailand faced several major challenges, including high household debt, which curbed consumer spending and negatively affected private consumption, economic expansion, and the country's financial stability. Another challenge was the transition to an aging society which affected production, particularly in agriculture and services, as well as the tax base. Moreover, the proportion of public and private investments was persistently low. All these factors contributed to Thailand's slower-and-lower-than-expected economic recovery.

Amid such uncertainties and challenges, Krungthai Bank operated with caution, taking into consideration risks from all angles. We prioritized stringent asset quality management and monitoring while making provisions to buffer against economic uncertainties, maintaining a high coverage ratio and a robust capital base compared to the Bank of Thailand's requirements. This approach underpins our strong balance sheets and the ability to support new business ventures in the future.

As a leading Thai commercial bank listed on the Stock Exchange of Thailand, Krungthai Bank is committed to developing financial technology and innovation for all customer segments, from retail customers, SMEs, and corporates to government entities. Our goal is to modernize operations to stay attuned to and meet the evolving needs of our customers while helping our customers have convenient, fast, and efficient access to financial services. Moreover, we are actively contributing to the acceleration of the Thailand 4.0 policy and supporting high-potential and new target industries, thereby aligning with the future economy and creating value for Thai society and all Thais. In addition, we adhere to responsible lending practices and help those with persistent debt and the vulnerable quickly resolve their debt as well as promote financial literacy and develop sound financial habits, such as savings, investments, and awareness of financial fraud, thereby enhancing financial immunity and stability.

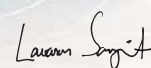
The outcomes of our projects demonstrate our role as a pillar of the Thai economy. We have facilitated access to government assistance and financial services through the Paotang application, or Thailand's open digital platform, which is accessible to all Thais in a convenient, inclusive, equitable, and transparent manner. This allows us to efficiently meet the needs of the Thai population, contribute to propelling the country towards a cashless society, and support the Thai economy on its journey towards steady and sustainable growth.

Krungthai Bank is dedicated to upholding responsible business practices and good governance, aligning with our vision of "Growing Together for Sustainability." This commitment highlights the significance of treating all stakeholders fairly, fostering a culture of accountability, honesty, and transparency, and implementing a zero-tolerance policy.

Our goal is to build public trust and serve as a reliable partner to our customers through transparent operations and compliance with laws, regulations, and guidelines issued by regulatory bodies. Our efforts have led to significant improvements across various metrics, including a continuous increase in net profit, higher interest income driven by the growth in high-quality loans, and a reduction in non-performing loans through stringent asset management. Furthermore, we have maintained a strong capital base and delivered a good return on equity (ROE) to our shareholders. We have been recognized for leveraging innovation and technology to enhance operations and develop advanced financial products and services, thereby creating value for our customers, meeting all their needs, and contributing to economic and societal sustainability. As a result of all these efforts, in 2023, Krungthai Bank was honored with 67 prestigious awards from respected organizations both in Thailand and overseas. Highlights include the Best Social Impact Bank Thailand award from Capital Finance International; a "AAA" rating from SET ESG Ratings 2023 by the Stock Exchange of Thailand, indicating the highest level of ESG standards; the Excellence in Customer Service (Banking) - Thailand 2003 from The Global Economics; the Human Resources Excellence Awards 2023 - Excellence in the Use of HR Tech from Human Resources Online, Singapore; the Top Publisher Awards 2023 from Data.ai; and the "Excellent" level of recognition in the Corporate Governance Report of Thai Listed Companies 2023 (CGR) conducted by the Thai Institute of Directors (IOD).

In 2024, Krungthai Bank will conduct its business with the theme "Reshaping Client Value Proposition and Promoting Sustainability with Innovation." This encompasses harnessing innovation to create value and constantly improve the lives of all Thais. We aim to leverage technological advancements to optimize business operations so that all dimensions of the Bank can grow together with society, thereby mitigating inequality. Moreover, we prioritize responsible lending practices, improving access to formal financial services, and encouraging positive financial habits. We aim to conduct business while promoting balances in social, environmental, and governance aspects to establish a robust foundation for the national economy and drive meaningful societal advancement towards strong growth. Concurrently, we will preserve the balance of natural resources and emphasize reinforcing readiness against new forms of cybercrime in order to meet the expectations of all stakeholders as well as bolster the Bank's competitive edge and unlock future growth opportunities, ensuring steady and sustainable growth for the organization.

On behalf of the Board of Directors, Executives, employees, and affiliated companies, I would like to express our deepest gratitude to our shareholders, business partners, and customers from both the public and private sectors for always believing and trusting in Krungthai Bank. I sincerely hope that you will continue to support the Bank throughout our journey ahead.



Mr. Lavaron Sangsnit

Chairman of the Board of Directors

MESSAGE FROM THE CEO

01 Unlock Disproportionate Value from X2G2X



02 Leverage Digital and Data to Drive Efficiency



03 Launch New Growth Platforms



04 Support Sustainable and Inclusive Growth



05 Build Future Ready Capabilities



06 Upgrade Core Technology Infrastructure





07 Transform Culture:
Embed New Ways of Working
to Drive Continuous
Organization Agility



In 2023, the Thai economy exhibited a trend of continuous recovery, largely attributed to the tourism sector's recovery and the government's implementation of visa exemption policies, with the number of foreign tourists rising continuously from the previous year, positively influencing employment rates and household incomes. However, household debts and the vulnerable faced pressure from rising policy rates, while exports and private investments were affected by the global economic downturn and geopolitical tensions among nations and the world's major economic groups. Additionally, the delay in enacting the Annual Budget Expenditures Bill for Fiscal Year 2024 adversely affected public investments and government spending from October to December 2023. These challenges contributed to the country's below-potential growth.

Given the aforementioned conditions and challenges, Krungthai Bank exercised caution in its business operations, rigorously managing asset quality, ensuring a high coverage ratio and robust capital levels, and maintaining liquidity well above the Bank of Thailand's requirements, thereby establishing good stability. Furthermore, we placed a strong emphasis on assisting all vulnerable customer segments in adapting to the rising cost of living and addressing debt in a sustainable manner, preparing them for economic uncertainties and limited growth prospects. As a result, Krungthai Bank, along with its subsidiaries, reported a consolidated net profit attributable to equity holders of the Bank of 36,616 million Baht, marking an 8.7% increase from the previous year. This positive outcome was due to an increase in total operating income driven by prudent loan growth among strategically targeted groups to balance risks and returns amidst economic uncertainties while undergoing structural changes to prepare for the future economy, an increase in net income from fees and services, and effective cost management overall.

In 2023, we continued to diligently pursue the two-banking model, or carrier-speedboat strategy, with 7 strategic focuses. The following are the outcomes for each focus. 1) **Unlock Disproportionate Value from X2G2X:** We continued to develop the Paotang mobile application, positioning it as Thailand's open digital platform that is accessible to everyone; the application has amassed over 40 million users. Its key features include the SBM (Sasom Bond Mung Kung) Wallet for government savings bonds, digital corporate bonds, Krungthai Gold Wallet, digital lottery, Krungthai Jai Pump Loan, Paotang Pay, "Aomplearn" service, Health Wallet, and more. We also offer products and services resulting from deep linking customer segments, for example, the PointPay service, which allows customers to redeem and pay with loyalty points at Tung-Ngern merchants, and building

upon Krungthai Business by integrating PromptBIZ, a platform co-developed by the Bank of Thailand, the Thai Bankers' Association, and National ITMX Co., Ltd. 2) **Leverage Digital and Data to Drive Efficiency:** Examples of this are Krungthai NEXT, which currently boasts over 17 million users, Krungthai Business, and Krungthai Trade Online. 3) **Launch New Growth Platforms:** Such platforms include "NEXT INVEST" and banking as a service in partnership with certain government-owned specialized financial institutions. 4) **Support Sustainable and Inclusive Growth:** Through collaborations with partners, we pioneered ESG and sustainability product development in Thailand with various forms of transition financing. Such products include carbon credit-linked derivatives, carbon credit-linked investment programs, carbon credit-linked interest rate derivatives, and decarbonization-linked cross-currency swaps. Furthermore, we have been accelerating the development of products aimed at improving access to finance for grassroots customers, such as the digital supply chain financing programs. 5) **Build Future Ready Capabilities:** This involved a partnership with Fidelity International to enhance our wealth management services. 6) **Upgrade Core Technology Infrastructure:** An example of this endeavor is the use of the cloud to develop open innovations. 7) **Transform Culture: Embed New Ways of Working to Drive Continuous Organization Agility:** We partnered with Accenture in the joint venture, Arise, aimed at grooming digital talents, and we collaborated with IBM in the joint venture, IBM Digital Talent for Business, to develop IT talents for core and network IT infrastructure. These contribute to upskilling and reskilling our workforce while fostering new work environments and organizational cultures that will be key mechanisms for transforming the Bank into a digital organization.

Regarding the economic outlook, Thailand is expected to encounter a challenging environment, marked by a global economic slowdown and uncertainties due to geopolitical conflicts. These conflicts undermine investor confidence, provoke volatility in financial and capital markets, and contribute to escalating global energy prices. Additionally, the emergence of innovation and technology, particularly the adoption of generative AI, is poised to induce significant shifts in the global economic landscape, profoundly impacting the banking sector, which still needs to learn, adapt, and change in various aspects, such as work environments, flexible working hours, workforce skills, and optimal workforce size. Concurrently, Thailand will continue to face challenges, including relatively high policy rates compared to previous years, the impacts of climate change on agricultural productivity and income, and high household debt levels that impinge on the quality of retail and SME loans, in particular those of the vulnerable. The country will also navigate through changes

to regulations, business frameworks, and heightened competition induced by the regulators, for instance, the “3 Opens” policy (Open Infrastructure, Open Data, Open Competition), the responsible lending criteria, and the increasing enforcement of ESG measures to align with sustainable development approaches. This includes the issuance of the BOT Green Directional Paper and the Thailand Taxonomy, which are aimed at setting guidelines for financial institutions in driving climate action.

In order to navigate the evolving changes and challenges in the business landscape that affect our operations and prepare for emerging opportunities, **in 2024, we will conduct our business with the guiding theme “Reshaping Client Value Proposition and Promoting Sustainability with Innovation.”** The theme emphasizes expediting the use of innovation to augment work in order to create value and address customer needs, thereby bolstering our competitive edge and creating new opportunities for future growth. Furthermore, we are committed to assisting our customers in resolving their debt problems, particularly the vulnerable whose incomes have not yet stabilized, enabling them to weather and adapt to economic shifts. Additionally, we will underscore the significance of responsible lending, enhancing access to financial services without encouraging excessive indebtedness, which is aligned with the Bank of Thailand’s Responsible Lending Guidelines. **All these efforts will contribute to the achievement of the Bank’s strategic objectives, which are:**

1. **Transform the Core** by fostering a cultural shift within the organization and adopting novel work practices to attract innovative, high-potential talents. We will drive our organization with enhanced flexibility, agility, and readiness to adapt to the modern environment, enabling us to deal with the changes and challenges within the banking sector.

2. **Strengthen Current Businesses** to ensure continuous growth and improved efficiency in our core businesses. To achieve this, we are developing tools and processes that will improve customer service across all touchpoints to adapt to evolving living and business environments, introducing innovative products and services that cater to our customers’ needs, and leveraging digital tools to extend business to our customers’ partners within their supply chains.

3. **Grow New Businesses** by fostering partnerships and exploring new business models, for example, banking-as-a-service or building upon existing platforms. Our goal is to create economic value that supports our partners’ transition to the digital economy, benefiting all stakeholders in a continuous, steady, and sustainable manner.

As for 2024, after a review of our strategic direction, we affirm that the 7 strategic focuses remain relevant and well-suited to the Bank’s business environment, competition, and changing economic systems. Furthermore, we have included 2 additional elements: decarbonization and generative AI.

Lastly, we would like to thank all our shareholders, customers, and partners for having confidence in us, trusting us, and supporting us in achieving our mission to enhance our capabilities and play a key role in empowering better life for all Thais and Thai businesses, as reflected in our vision statement, “Growing Together for Sustainability.” We would also like to thank our employees for their dedication, willingness to embrace change, and continuous development efforts over the past few years, which have contributed to the value and success of Krungthai Bank. We are confident that through diligent implementation of our 7 strategic focuses, Krungthai Bank is poised to emerge as the leading Thai commercial bank that can meet the needs of all stakeholders. We are committed to operating with environmental, social, and governance responsibilities, and we will strive for the advancement of financial technology and innovation, providing modern financial products and services via digital channels that are accessible to all, thereby catering to the diverse needs of all customer segments and ensuring equal and inclusive opportunities for all Thais to have a better quality of life through Thailand’s open digital platform. **As we propel the organization towards reshaping client value propositions and promoting sustainability with innovation,** we support every facet of the Bank’s business to grow in quality together with society, which will lead to consistent sustainable value creation for our Krungthai Bank.



Mr. Payong Srivarnich
Chief Executive Officer

VISION AND MISSION

VISION

Growing
Together for
SUSTAINABILITY

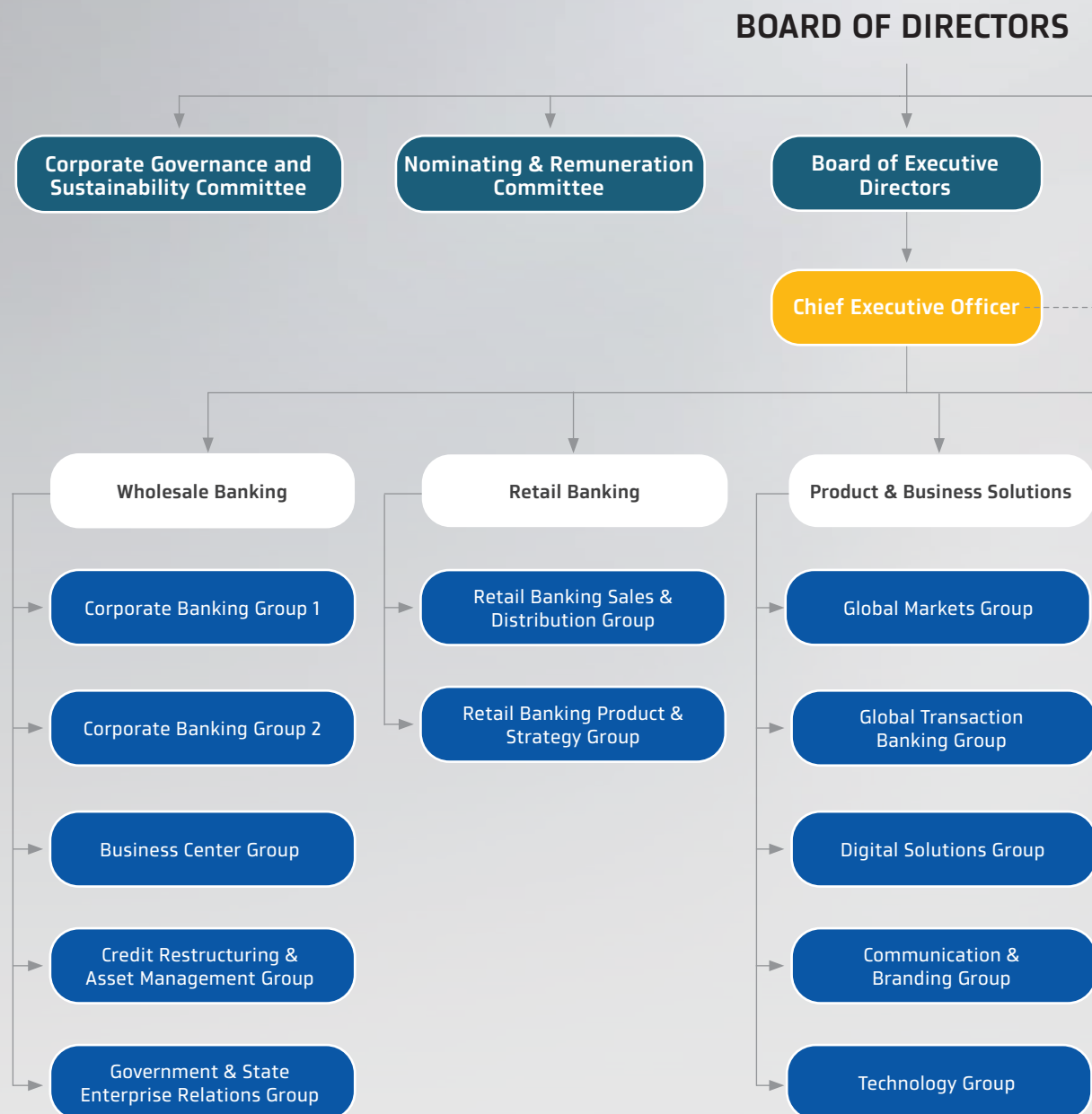
MISSION

Empowering
BETTER LIFE
for all Thais



ORGANIZATION CHART

As at December 31, 2023



Krungthai Group

Financial business

Capital Market Business



Krungthai Asset Management Pcl.



Krungthai XSpring Securities Co.,Ltd.

Credit Related Business



KTB Leasing Co., Ltd.



Krungthai Mizuho Leasing Co., Ltd.



Krungthai Card Pcl.



KTC Pico (Bangkok) Co., Ltd.



KTC NANO Co., Ltd.

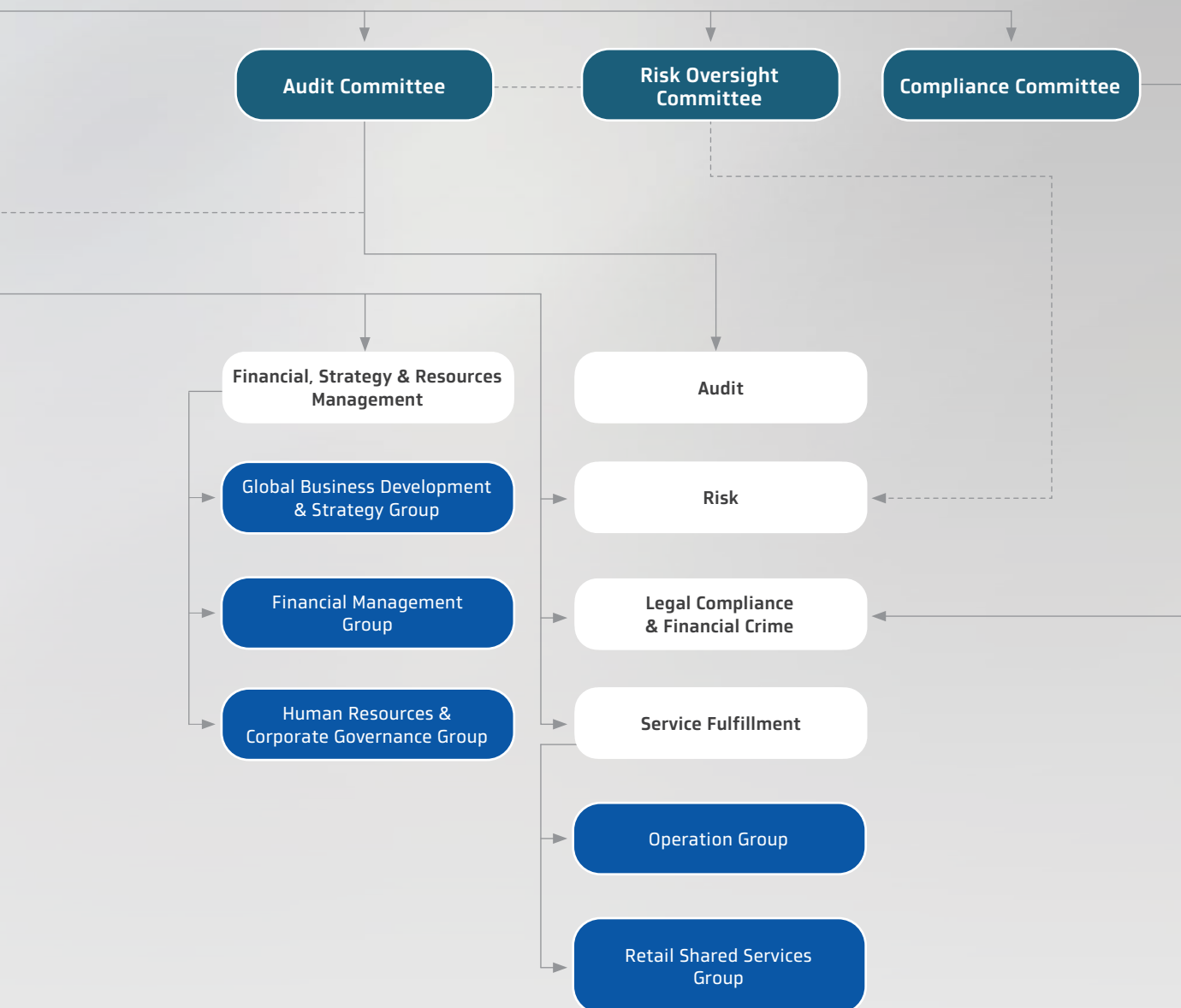
Insurance Business



Krungthai-AXA Life Insurance Pcl.



Krungthai Panich Insurance Pcl.



Holding Company



KTB Advisory
Co., Ltd.

Payment Service
under Supervision

KTC PREPAID Co., Ltd.

Support Business



KTB General Services
and Security Co., Ltd.



Krungthai Computer
Services Co., Ltd.



Krungthai Law Co., Ltd.



Infinitas
by Krungthai Co., Ltd.



Arise
by Infinitas Co., Ltd.

THE BOARD OF DIRECTORS

As at February 29, 2024



01

Mr. Lavaron Sangsnit
Chairman

02 Mr. Krairit Euchukanonchai

Vice Chairman
Chairman of the Board of Executive Directors
Chairman of the Risk Oversight Committee

03 Mr. Vichai Assarasakorn

Director
Independent Director
Chairman of the Audit Committee
Member of the Corporate Governance
and Sustainability Committee

04 Mr. Thanwa Laohasiriwong

Director
Independent Director
Chairman of the Nomination and Remuneration Committee
Member of the Audit Committee
Member of the Risk Oversight Committee

05 Mr. Payong Srivanich

Chief Executive Officer
(Authorized Signatory Director)
Executive Director
Member of the Risk Oversight Committee



06 Prof.Dr. Kittipong Kittayarak

Director
Chairman of the Corporate Governance and
Sustainability Committee
Member of the Compliance Committee

07 Mr.Teerapong Wongsawilas

Director
Independent Director
Chairman of the Compliance Committee
Member of the Nomination and Remuneration
Committee

08 Mr. Virasak Sutanthavibul

Director
Chairman of the Independent Committee
Member of the Board of Executive Directors
Member of the Risk Oversight Committee



06

07

08

09 Ms. Jiraphon Kawswat

Director
Independent Director
Member of the Audit Committee
Member of the Corporate Governance
and Sustainability Committee

10 Mr. Attapol Attaworadej

Director
Member of the Board of Executive Directors
Member of the Corporate Governance
and Sustainability Committee

11 Lt. Gen. Nimit Suwannarat

Director
Independent Director
Member of the Nomination and Remuneration Committee
Member of the Risk Oversight Committee
Member of the Compliance Committee

12 Mr. Pinsai Suraswadi

Director
Member of the Corporate Governance
and Sustainability Committee
Member of the Compliance Committee



TOP EXECUTIVE OFFICERS AND GROUP HEAD

As at February 29, 2024



01

Mr. Payong Srivanich
Chief Executive Officer

02 **Mr. Suratun Kongton**
Chief Wholesale Banking Officer

03 **Mr. Ekachai Techawiriyakul**
Chief Risk Officer

04 **Ms. Saranya Vejakul**
Chief Financial, Strategy & Resources
Management Officer

05 **Mr. Tawatchai Cheevanon**
Chief Product & Business Solutions Officer



06 **Mr. Pongsit Chaichutpornasuk**
Chief Legal Compliance & Financial Crime Officer

07 **Mr. Chanchai Sinsuparat**
Chief Service Fulfillment Officer

08 **Mr. Panabhand Hankijjakul**
Chief Audit Officer

09 **Ms. Praralee Ratanaprasartporn**
Head of Digital Solutions Group



10 **Mr. Weerapong Suppasedsak**
Head of Business Center Group

11 **Mr. Rawin Boonyanusasna**
Head of Global Markets Group

12 **Mr. Suppawat Wadhanapatee**
Head of Human Resources &
Corporate Governance Group

13 **Mr. Kittipat Peantham**
Head of Enterprise Relations Group

14 **Mr. Chalerm Pradidarecheep**
Head of Retail Banking Sales &
Distribution Group
(Retired from January 1, 2024)



15 Ms. Suwanna Anantanond

Head of Credit Restructuring
and Asset Management Group

17 Mr. Thanakorn Karnjananut

Head of Global Business Development
and Strategy Group

16 Mr. Krit Chamapisit

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Part 1 Business Operations and Performance

1. Structure and Operations of Financial Business Group

1.1. Policy and Business Overview

1.1.1 Vision and Mission

Krungthai Bank operates business under the vision of "Growing Together for **SUSTAINABILITY**" and the mission of "Empowering **BETTER LIFE** for all Thais". In this regard, the Bank endeavors to develop financial technology and innovations through the Thailand Open Digital Platform in order to improve the quality of life of people and all groups of customers in various dimensions. This includes providing digital literacy for people at the foundation level so that they can apply technology and reduce disparities in access to the fundamentals of the digital economy and gaps in the distribution of income in society for people, as well as working to develop Thai society towards a digital society and a cashless society. Inclusively, the Bank also aims to create financial equality for Thai people, such as opportunities to access funding sources, financial literacy, fundamental rights to the government services, and income equality for people. Nevertheless, the Bank adheres to ESG principles by taking into account Environment, Society and Governance principles, in an attempt to enable every aspect of business operations to grow with society sustainably.

Overview of the Bank's Operation in 2023

The overview of the Thai economy in 2023 indicates a gradual recovery, supported by improvements in the tourism sector. The increase in foreign tourists and per capita income has contributed to this positive trend. However, the Bank has faced ongoing challenges from various factors. The global economic recovery has slowed down due to higher interest rates, driven by continuous increases in policy interest rates by the United States and European central banks. China's economic recovery is also expected to decelerate, influenced by issues in the real estate sector and ineffective economic stimulus measures. Additionally, geopolitical conflicts such as the Russia-Ukraine war and Israel-Hamas war have impacted Thailand's merchandise export sector, adding pressure due to slowing global demand. In addition, consumption in the private sector is pressured by the cost of living and household debt, which stands at more than 90% of GDP. This pressure causes consumers to be more restrictive and cautious about their spending. Combined with changing consumer behaviors, the development of emerging technology, changes in regulations, and a focus on sustainability, the business environment remains uncertain. Under these conditions, the Bank has conducted its business with caution, closely managing asset quality by maintaining a high Coverage Ratio. The Bank gives importance to taking care of all customer groups, enabling them to adapt to the economic situation and solve debt problems sustainably. The Bank is ready to develop financial products and services to meet the needs of customers in every dimension, enhancing the quality of life for the Thai people every day. The Bank is committed to adhering to responsible business practices concerning Environmental, Social, and Governance (ESG) principles. The Bank applies the Sustainable Development Goals

(SDGs) framework in every aspect of its operational process, guided by the vision of "Growing Together for **SUSTAINABILITY**."

The Bank's Board of Directors has attached great importance to the review and stipulation of the policy framework, vision, mission, strategic plan and business plan, including monitoring the implementation and compliance of such matters in an attempt to achieve the organization's goals. In this regard, the Bank organized the brainstorming meeting between the Bank's Board of Directors, the Management and the executives of affiliated companies to determine the strategic directions and important projects that will drive the business conglomerate to achieve its strategic goals. Subsequently, the Management has gotten approval of strategic plan from Board of Directors and communicated the Bank's strategic plan, business plan and important goals to employees in the organization thoroughly. The Bank held the Krungthai Business Strategy Seminar annually with the intention that the executives, Branch Managers, Business Office Managers and FVP Department Heads or higher, could be acknowledged about management policies and business directions, including Thai economic tendency and change in business environment. As a result, the participating executives shall have guidelines to initiate proactive operations in order to achieve the organization's goals and pass the strategies to the employees in the departments accurately under the same direction. Additionally, the Bank held the mobile meetings of the Board of Directors and arranged site visits at the departments and branches in each region regularly to delegate the significant policies and strategies in various aspects as well as getting to know the problems caused by the operations of the employees.

The Board of Directors has monitored the Bank's performance compared to monthly and quarterly key performance indicators and has tracked the Bank's performance compared to the peers' performance on a quarterly basis. In addition, the Board of Directors delegated the policy, strategy and suggestions to the Management through the Board of Director meetings. Consequently, after the Management had taken such advice into process, the report of the progress and the accomplishment shall be reported to the meeting regularly.

The strategy and business plan for 2023 of Krungthai Bank is to focus on driving business under the concept of "Accelerating Sustainable Value Creation," combining the sustainability dimension with the Bank's strategy and business plan. The Bank aims to give importance to driving business based on ESG principles, taking into account the environment, society, and governance. Additionally, the plan involves adjusting business processes in many aspects to be consistent with the aforementioned guidelines. In 2023, Krungthai Bank has continued to highlight on the implementation of the 2-Banking Models, namely, Carrier and Speedboat, by operating through 7 strategic focuses as follows:

1. Unlock disproportionate value from X2G2X

The Bank has accelerated the X2G2X strategy to create in-depth connections among different customer groups, including

B2B, B2C, G2B, and G2C, and launched a platform that meets the needs of customers' partners. Such operations emphasize the overall view throughout the supply chain, offer products and services in the form of "Total Solutions," as well as reach out to grass-roots customers to reduce inequality under appropriate risk management.

Examples of key performance in 2023 include:

Continuously developing the "Pao Tang" application to transform it into the Thailand Open Digital Platform, open for all Thai citizens to access its services, this application has garnered over 40 million users. For example,

- **SBM Wallet (Sasom Bond Mung Kung e-Wallet):**

The Bank collaborated with the Public Debt Management Office to develop SBM e-wallet on Pao Tang mobile application to support Thailand's first digital bond trading. In 2023, the Bank has jointly offered various savings bonds through the SBM e-wallet as follows:

- The savings bond, named "Oom Aun Jai," offers a credit limit of 10,000 million Baht, a 7-year term, and a fixed interest rate of 2.70% per year. The minimum investment is 100 Baht, but not exceeding 20 million Baht per person. The public and investors have responded positively to this investment since the first day of opening for subscription on 10 May 2023, with all available slots filled by subscribers on 16 May 2023.

The savings bonds subscription offered through the digital platforms enable all groups of people from all regions to have a chance to access government savings bond investments. It distributed the assessing opportunity regarding the savings bond investments to retail investors across the country as well as reduced disparities in access to savings and investment products, and also promoted comprehensive and sustainable savings to people in all sectors. PDMO has offered digital savings bonds via the SBM Wallet in a total of more than 65,200 million Baht, to investors of all age groups scattered throughout the country. Investors can trade bonds in the SBM e-wallet, check bond prices, get paid on the sale, check bond trading history, request a refund of withholding tax, and check the status of the tax refund by themselves via mobile phones as well as integrating savings bonds investment portfolios sold through dealers to display on the SBM Wallet, where investors can know the overview of their investments and all savings bonds in one place

- **Digital Bond via Pao Tang Application:** The Bank has developed a digital wallet system to support digital bond trading for the first time in Asia with the minimum investment of only 1,000 Baht, which is the lowest initial investment value of bond sales in the country. This is to provide opportunities for retail investors to have access to investment thoroughly, equally and equitably. In 2023, the Bank has partnered with leading companies to offer digital bonds through a bond trading wallet in the "Pao Tang" application, including

- IRPC Public Company Limited offered four tranches of digital bonds with a total size of 2,000 million baht. These included digital bonds with a term of 3 years and an interest rate of 3.20% per year, digital bonds with a term of 5 years and an interest rate of 3.70% per year, digital bonds with

a term of 7 years and an interest rate of 4.00% per year, and digital bonds with a term of 10 years and an interest rate of 4.20% per year. The results of the offering indicated that all bonds were sold out within the first day of offering.

- Bangchak Corporation Public Company Limited (BCP) offered digital bonds with a term of 3 years and an interest rate of 3.45% per year, totaling 3,000 million baht. The results of the offering indicated that all bonds were sold out within the specified offering period, distributed across every province throughout the country. The allocation was 63.3% for Bangkok and 36.7% for other provinces. Women investors accounted for a significant 63.9%, spanning across all age ranges from 20 to 91 years. Particularly, office workers aged 20-40 years represented a substantial proportion at 25.24%, while the age range of 60 years and older constituted 24.35%.
- Sansiri Public Company Limited offered digital bonds with a term of 2 years and an interest rate of 4.25% per year, totaling 2,500 million baht. The results of the offering indicated that all bonds were sold out within the specified offering period, attracting a total of 12,892 investors from across the country. The allocation was 59% for Bangkok and 41% for other provinces, spanning all age ranges from 20 to 92 years. Notably, first-jobbers aged 20-29 years represented 12%, while the age range of 60 years and older constituted 16%.

The Bank offered digital bonds through a bond trading wallet in the "Pao Tang" application, totaling more than 42,500 million baht. Digital bonds on the Pao Tang application have facilitated investors to trade in real time 24 hours a day. Investors will immediately receive bonds upon purchasing and receive funds upon selling. Additionally, it displays information on bond holdings and trading prices all in one place, providing solutions for savings and investments in all dimensions, thereby creating sustainable financial stability for customers and the public.

- **Krungthai Gold Wallet:** The Bank has partnered with 3 leading gold shops including MTS GOLD under the brand "Mae Thongsuk", YLG, and Aurora, to develop "Krungthai Gold Wallet" on the Pao Tang application, providing investors with opportunity to access 99.99% pure gold investments in real time through a comprehensive online channel, starting from opening an account, top-up and money exchange, and buying and selling gold. It meets investment in the new era. Customers can invest in gold trading directly into US dollars anywhere, making it convenient, fast, and safe. There are no fees for the launch of online gold investment services through the Gold Wallet service on the "Pao Tang" application. For the first time in 2021, investors have given a good response, reflected in the volume of account openings and the number of transactions that have been continuously increasing. Currently, there are more than 200,000 Gold Wallet account openings, reflecting investor confidence in products and services that meet their needs

- **Digital Lottery:** The Bank cooperates with the Government Lottery Office in developing a platform for selling lottery via the government applications, namely "Thung Ngern" and "Pao Tang". In addition, the Bank has developed additional functions such as "QR for Selling Digital Lottery" to add new buying and selling channels for buyers and sellers of digital lottery, allowing the purchase of digital lottery in a face-to-face mode through the "Thung Ngern" application directly from digital lottery sellers. The Bank has also collaborated with the Thailand Association of the Blind to develop the "Voice Assistant" feature, enabling the visually impaired to conveniently and quickly access buying and selling digital lottery through the "Pao Tang" and "Thung Ngern" applications.

The results of buying and selling "Digital Lottery" through the "Pao Tang" application mark one year since the draw on 16 June 2022 until the draw on 16 June 2023. It was found that there was a total of more than 5.8 million digital lottery buyers, with digital lottery tickets sold totaling 356 million tickets, valued at more than 28,000 million baht. These sold digital lotteries belong to more than 38,000 small lottery sellers from all over the country, with over 40 million users of the Pao Tang application. All digital lotteries were sold out before every draw date expiry.

The Bank is also involved in the development of Lottery 6: L6 for the draw on 1 October 2023, which began selling on 17 September 2023. This is the first draw that will sell the entire six-figure Government Lottery tickets and digital lottery tickets, totaling 101 million lottery tickets, divided into 80 million physical lottery tickets and 21 million digital lottery tickets. The physical lottery tickets will appear identical to the currently sold physical lottery tickets, featuring the 'L6' text printed on them. In contrast, digital lottery tickets will not be physically printed; instead, they will exist as data within the digital system. The 'L6' text will be digitally printed on the lottery tickets, and transactions will be conducted through the Pao Tang application. The prizes of Lottery 6 (L6) in a physical lottery ticket can be claimed at the Government Lottery Office or at the Bank for Agriculture and Agricultural Cooperatives, Krungthai Bank, and every branch of the Government Savings Bank. The prizes for Lottery 6 (L6) on a digital lottery ticket will be automatically checked for winning. Buyers can choose to receive the prize by transferring it to Krungthai Bank's account or into the buyer's G-Wallet within no more than 2 hours. The Government Lottery Office has set a goal to have both physical and digital tickets for Lottery 6 (L6) sold, not exceeding 110 million in total. This will be divided into 80 million physical L6 lottery tickets and no more than 30 million digital lottery tickets by the end of 2023. This allows the public, who wish to buy lottery tickets, to purchase them at 80 baht each.

The sale of lottery tickets on the platform enables buyers to purchase tickets at 80 baht each and provides a wide range of lottery options through a convenient and reliable channel. Additionally, winners can choose to transfer their claims through the application immediately. Small sellers will benefit from selling on a platform with a large number of buyers, eliminating the need for them to physically sell tickets and allowing more time for sales. This also contributes to the promotion of their careers and income. Krungthai Bank will continue to enhance the Pao Tang application for greater efficiency, supporting the operations of the Government Lottery Office. This includes increasing transaction potential, developing an automatic prize claiming system, improving

convenience for winners, and implementing a payment system for lottery sellers through the Pao Tang application. This effort aims to reduce the number of transactions made through branches or ATMs.

- **Increase in access to loans through the "Krungthai Jai Pum" program via the Pao Tang application:** The Bank has introduced a new channel for applying for loans under the "Krungthai Jai Pum" initiative through the Pao Tang application. Pao Tang is the Thailand Open Digital Platform widely known among Thai people, offering easy access and catering to the needs of over 40 million users. The application is designed with user-friendly steps, aligning with the lifestyle demands of the digital era and contributing to the reduction of inequality in access to financial services, ensuring thorough and equal access for all. The highlight of loans through the "Krungthai Jai Pum" program is their ease of accessibility. There is no requirement to have a salary account with Krungthai Bank; instead, one can simply open a "Pao Mee Tang" savings account through the Pao Tang application. This program has no minimum deposit requirement, offers quick approval, does not demand a guarantor, and ensures the immediate transfer of funds into the account. Since the service was launched from August to September 2023, it has received a positive response from customers, with over 200,000 loan applications and a total approved limit exceeding 600 million baht.

- **Paotang Pay:** The Bank has developed "Paotang Pay" under the concept of "Pay and Get," encompassing services for money transfer, top-up, scanning, and payment via PromptPay QR Code at every bank and store throughout Thailand. This includes the ability to pay for water, electricity, telephone bills, credit cards, insurance, or government agency fees, with various benefits. The goal is to elevate "Paotang Pay" to another level of payment service within the Pao Tang application, functioning as a super wallet that combines the capabilities of the Bank App and e-Wallet. It provides the Open Loop service as the first wallet utilizing the PromptPay QR Code as an intermediary, enabling payments to all banks. Users can freely spend at every store, catering to various lifestyles. In addition, to truly enable spending at every store throughout Thailand, the Bank has also launched the Play Card, a card linked with Paotang Pay. This card integrates online and offline use, allowing for contactless payments for public transportation fares on cars, rails, and expressways. It can also be used for purchasing products online and making payments through the EDC Payment machine. The Bank is committed to developing "Paotang Pay" into a super wallet for Thai people, seamlessly connecting all their spending. This aims to enhance the potential of digital payments within the "Pao Tang" application, making it more comprehensive, improving the quality of life, and reducing inequality in access to basic elements of the digital economy for Thai people.

- **"Aom Pleam" Service on the Pao Tang Application:** The Bank collaborates with the Fiscal Policy Research Institute and the National Savings Fund (NSF) to introduce the "Aom Pleam" service on the Pao Tang application. This innovative savings service, tailored for informal workers, is developed based on the concept of "Automatic Savings for Retirement," promoting individual savings for every expenditure. The service seamlessly integrates with the government electronic wallet (G-Wallet) to channel funds into the National Savings Fund (NSF), fostering financial stability for the lives of informal workers. In the initial phase of this project, savings will be accrued in the National Savings Fund (NSF), with savers receiving

contributions based on the criteria and conditions established by the NSF. Furthermore, the "Aom Plearn" service offers insights and understanding regarding savings and investment plans. The primary objective of this project is to foster ongoing savings habits. Even if the savings amount per purchase is modest, with a minimum set at only 5 baht, once the sum reaches 50 baht, the funds can be promptly transferred to the NSF. The Bank acknowledges the significance of financial planning in establishing long-term financial stability, particularly in terms of retirement savings. This recognition is particularly relevant for informal workers, ensuring the ease of accumulating savings for use during retirement and enhancing the overall experience for NFS members in their saving endeavors.

- **Health Wallet:** The Bank has collaborated with the National Health Security Office (NHSO) to enhance health promotion and disease prevention benefits. This involves expanding channels to offer condoms and birth control pills. Eligible individuals under the national health insurance, specifically those possessing the 30-Baht gold card and in the reproductive age group (13 years and older), can utilize the Health Wallet on the Pao Tang application. This platform enables them to make choices regarding condoms or birth control pills and select the preferred service units or medical facilities under the gold card system, which are available at over 400 service units nationwide. Eligible individuals can contact these facilities to avail themselves of these rights, all provided free of charge. This initiative aims to ensure widespread and comprehensive access to condoms and birth control pills in every region. By doing so, it contributes to the prevention and reduction of sexually transmitted diseases and addresses the issue of unwanted pregnancies. The Bank continues to support the health promotion projects of the National Health Security Office (NHSO) through the development of the Krungthai Digital Health Platform system. This system is designed to connect with the health benefits system, aiming to facilitate public access to health services. It serves as a channel for the public to exercise their rights in promoting health and preventing basic diseases. Aligned with the government's universal health coverage system, the platform utilizes the health bag feature on the Pao Tang application. This enables citizens to access the government-provided medical treatment rights intended for the comprehensive care of Thai individuals from birth to the elderly. The ultimate goal is to enhance the sustainability of the country's public health system.

- **Identity verification services for taxpayers through the Pao Tang application:** The Bank and the Revenue Department have jointly signed a memorandum of understanding at a ceremony for the electronic identity verification project. This collaboration aims to facilitate taxpayers in accessing the electronic service system of the Revenue Department. The Pao Tang application provides an electronic identification and verification service that adheres to security standards, ensuring a level of credibility in accordance with the law and the requirements of government agencies, including the Personal Data Protection Act (PDPA). This verification process is a prerequisite for accessing various electronic services that the Revenue Department has prepared for taxpayers. This encompasses services such as e-Filing for the submission of Personal Income Tax Returns, the My Tax Account system for checking tax information, the e-Withholding Tax system, the e-Donation system for verifying donations, the RD Smart TAX

application for filing Tax Returns and making payments, and the e-Stamp Duty system for processing stamp duty payments using electronic money. Additionally, it includes other electronic services provided by the Revenue Department that are slated for future development.

This facilitation for taxpayers to electronically verify their identity through the "Pao Tang" application will enhance public convenience, speed, and confidence in the security of their tax information during transactions. This initiative aims to reduce tax transaction costs for the business sector as well.

Examples of other important products and services in 2023 include:

- **"PointPay instead of cash payment in Thung Ngern Stores:** The Bank collaborates with Max Solution Service Company Limited, a company under the PTG Group, on the PointPay project, allowing users to utilize accumulated points instead of cash to select products such as food and drinks from stores on the Thung Ngern application platform. In 2023, the Max Me application garnered 750,000 downloads and boasted over 500,000 active users. The Thung Ngern application features a diverse array of stores, encompassing more than 2 million in food and drinks, general stores, fashion products, and hotels & accommodations. The distribution is divided, with 30% in Bangkok and metropolitan areas, and 70% in other provinces.

Concerning the PointPay project, The Bank has had four business partners allowing customers to use their accumulated points at Thung Ngern stores: AIS, Bangchak, KTC credit card, and most recently, PT Max (Max Point). Using points instead of cash serves as an additional channel for receiving payment for goods and services, thereby enhancing opportunities to sell products and increase income for the Thung Ngern stores. This includes accepting payments for goods in government projects as well.

- **PromptBIZ:** The Bank, in collaboration with the Bank of Thailand (BoT), financial institutions, partners, and related agencies, has developed the PromptBIZ system to serve as a central financial and payment infrastructure for business sector. This system is designed to support trade and payment transactions in a digital mode that can be seamlessly integrated across banks. The PromptBIZ system became operational on 29 August 2023. The PromptBIZ system integrates trade and payment information, encompassing invoice details, billing, payments, and the secure issuance of receipts in compliance with international standards. This system incorporates the Digital Trade and Payment service, enabling the electronic exchange of trade documents such as e-Invoices and e-Receipts. This trade information facilitates payments through both intra- and inter-bank money transfer services (Bulk Payment). Moreover, the system extends the use of data to other related transactions, such as providing business loans through the Digital Supply Chain Finance service. This service supports loans to SME businesses under the Invoice Factoring/Financing category, enhancing the opportunity for increased credit access, convenience, and faster transactions.

Presently, the Bank has piloted the PromptBIZ service with the Digital Government Development Agency (Public Organization), or DGA, along with trade partner companies such as Site Preparation Management Company Limited. This initiative aims to assist trade partners in streamlining the document-sending process, minimizing errors, reducing paper usage, and decreasing operational costs. In addition, in December 2023, The Bank has collaborated with Advanced Info Service Public Company Limited to integrate the "PromptBIZ"

system into the Krungthai BUSINESS digital platform, enhancing the business potential of AIS and its partners throughout the supply chain. This transformation involves turning it into a fully integrated digital system, including the utilization of trade transaction data on the PromptBIZ system for loan consideration. This effort aims to aid AIS partners, especially SMEs, in gaining easier access to funding sources at an appropriate cost. The Bank plans to continuously expand such service to both government and private agencies.

- **Student Loan Fund (SLF):** The Bank has been entrusted by the Student Loan Fund (SLF) to manage student loans since 1996. Until now, the SLF has granted loans to more than 6.5 million students, totaling more than 734,000 million Baht. In 2023, the SLF prepared a credit line for students to borrow more than 46,000 million Baht for over 760,000 borrowers, aiming to provide them with opportunities for equal access to education. The Bank has actively participated in assisting and supporting the operations of the SLF to achieve this goal.

- **TRANSIT PASS RED LINE BKK X BMTA:** The Bank has joined hands with the State Railway of Thailand, Bangkok Mass Transit Authority (BMTA), and S.R.T. Electrified Train Company Limited to develop the TRANSIT PASS RED LINE BKK X BMTA. This passenger card is designed for traveling on the S.R.T. Red Line Mass Transit System (Bang Sue-Rangsit line and Bang Sue-Taling Chan line) and BMTA buses, including both regular and air-conditioned buses. The pass allows for up to 50 trips on the Red Line suburban train and offers unlimited rides on BMTA buses. Valid for 30 days at a fixed cost of 2,000 baht per month, the pass is designed to enable smooth travel integration between the Red Line suburban train and BMTA buses. The Red Line electric train currently serves over 20,000 daily passengers, complemented by BMTA buses that transport more than 700,000 passengers each day. This initiative ensures passengers enjoy convenient and efficient services, reducing travel expenses and contributing to the increasing adoption of the mass transit system in the Bangkok Metropolis area.

- **OOMSUB Application:** In collaboration with the Royal Thai Army, the Bank has developed the OOMSUB (Savings) application with the goal of enhancing the quality of life for civil servants within the Royal Thai Army Civil Servants Savings Enterprise (OOMSUB). The application provides them with the tools to effectively manage their OOMSUB fund, offering services like checking member status, reviewing balances for deposits, loans, and accumulated interest, applying for loans, and monitoring loan application status. Users have the flexibility to independently perform these tasks anytime, anywhere, online, and in real-time. Moreover, users can make additional deposits or repay debts before the deadline using the payment system accessible through all banks. The application also features a "Buddy" function, aiding members in financial planning for both saving and borrowing, ultimately contributing to the financial stability of Royal Thai Army officials. This proactive approach enables them to enter retirement with a sense of happiness and preparedness.

Measures to help the public and government stimulus measures that the Bank is involved in implementing in 2023 include:

- **State Welfare Registration Project:** The objective of this project is to enhance the efficiency of social welfare provision and government financial assistance by accurately identifying

low-income earners through the integration of data across agencies. This integrated data will serve as a database for allocating various welfare benefits from government agencies to those low-income earners who genuinely deserve assistance. This initiative aims to address the issue of poverty in Thai society and sustainably improve the quality of life for the people. The Bank has actively supported the implementation of this project, contributing to various aspects such as registration, authentication, and more. There are a total of 14.5 million qualified individuals out of more than 22.2 million registrants, with over 9.6 million registrations through websites and over 12.6 million registrations through registration agencies. Those who are qualified will receive various welfare benefits, including budget limits for purchasing essential consumer products, educational products, and agricultural raw materials from blue flag stores at affordable prices, contributing to the development of the local economy. Additionally, they will have a discount limit for cooking gas purchases and travel expenses via public transportation, as well as measures to alleviate the burden of electricity and water bills, among others.

During the period from 1 April to 10 May 2023, considerable progress has been made in the exercise of rights under the 2022 State Welfare Registration Project. Utilizing identification cards, more than 13 million eligible individuals have collectively exercised their rights, with a cumulative value exceeding 7,500 million baht. The majority of eligible individuals have chosen to exercise their rights by using the allocated funds to purchase essential consumer products from blue flag stores.

- **The Rao Tiew Duay Kan (We Travel Together) copayment scheme, Phase 5:** The Bank, in cooperation with the Ministry of Finance and the Tourism Authority of Thailand, implemented a scheme by providing 560,000 rights with a limit of 2,016 million baht. The aim is to stimulate spending and economic circulation in the tourism sector and alleviate the financial burden on the people. In this context, the government is supporting 40% of the hotel price (not exceeding 3,000 baht per room per night) and providing 600 baht in food/sightseeing coupons per day.

The performance of the scheme in Phase 5, spanning from 11 March to 30 April 2023, was anticipated by TAT to generate a total income of 12,539 million baht. This is further divided into direct income of 9,205 million baht and indirect income of 3,334 million baht. During the implementation of this phase of the Rao Tiew Duay Kan copayment scheme, it was observed that over 9.8 million Thai people registered to participate, with more than 9.7 million individuals registered in the scheme phases 1-4 (including extended phases) and an additional 63,000 new registrants in phase 5. Previously, there were 6,800 registered entrepreneurs, including 4,700 in the hotel business and 2,100 in other industries. In phase 5, 484 new entrepreneurs joined the scheme, comprising 195 in the hotel business and 289 in other sectors. When combined with the results of measures in phases 1-4 from 2020-2022, where there were 11.05 million rooms exercising rights by scheme registrants, contributing to a circulating income in the economy of approximately 49,000 million baht. This cumulative impact over all 5 phases of measures has created a circulating fund in the Thai economy totaling more than 60,000 million baht.

2. Leverage digital and data to drive efficiency

The Bank accelerated the use of information and technology to improve work processes for process digitalization by introducing robotic process automation or RPA, and the use of AI into more internal work processes of the Bank. It makes the work faster, more efficient, and paperless. In addition, the Bank focused on utilizing the existing databases and technologies to their full potential at all levels of the organization to analyze and extend the Bank's products and services, understand customer needs, and meet the needs of all customer types through a variety of channels, especially digital channels.

Examples of key performance in 2023 include:

- **Krungthai NEXT:** The Bank has developed the application under the concept of "Smart Life in One Application" with functionalities that are more than just a bank under international safety standards. It covers payment, investment and international money transfer services, aiming to become the full-scale digital banking. Krungthai NEXT currently has more than 17 million users. The Bank has developed Krungthai NEXT to have various features, new features in 2023 include:

- NEXT Invest: Investment can be made in all assets through a single application, encompassing mutual funds, Thai stocks, foreign stocks, and bonds. Opening an account requires no submission of necessary documents, with just 100 baht needed to start the investment.
- Instant branch transactions: This feature allows customers to conduct deposit and withdrawal transactions in advance before visiting the branch, streamlining the process for general customers and facilitating quick transactions at the branch. Additionally, users can perform transactions in advance through the Krungthai NEXT application, scan the QR Code at the queue card machine, and complete continuous transactions at any branch within 24 hours without using a passbook. This approach reduces transaction time, enabling users to complete deposits and withdrawals faster. Deposits can be made without a maximum limit, while withdrawals are capped at 200,000 baht per transaction, with no limit on the number of transactions per day.
- Social security contribution payment service: The Bank collaborates with the Social Security Office (SSO) to introduce additional service channels for paying contributions to the Social Security Fund through the Krungthai NEXT application. Users can input their ID card information and contribution payment details, allowing insured individuals to conveniently and swiftly make contributions to the Social Security Fund. This initiative also promotes enhanced convenience for self-employed entrepreneurs, facilitating easier savings to foster their long-term financial stability.
- Privileges: Customers who conduct transactions through the application will receive privileges in various forms, including discounts and prizes.

- The user notification system will be activated when screen recording is detected, and there is a program to identify screen sharing to prevent remote access to the application.
- The security through face scanning is enhanced when transferring money or topping up with 50,000 baht or more at a time, or when the transfer amount reaches 200,000 baht in a single day. This includes instances of increasing the credit limit to 50,000 baht or more.

- **Krungthai Business:** The Bank has developed the "Krungthai Business" application, a financial management application for businesses that meets the needs of all businesses across Thailand. It covers all financial transactions, making transfers, receipts, and payments easy, all in one app. To better meet the needs of business customers, the Bank has upgraded its digital services on the Krungthai Business platform by adding new features to address various business functions, including loan services, letter of guarantee services, and foreign trade transaction services. All these services are now conveniently accessible in one place, enhancing the efficiency of conducting business.

- Checking credit limits and managing loans, streamlining loan management, reviewing all long-term credit lines, settling various types of loan accounts, including regular ones and outstanding ones, or repaying balances to close the account.
- Requesting the issuance of a letter of guarantee is now convenient and efficient, saving time for users. Requests for both physical letters of guarantee (LG) and electronic letters of guarantee (e-LG) can be made by users 24 hours a day. Electronic letters of guarantee (e-LG) are processed and received within 4 hours, while physical letters of guarantee (LG) can be obtained at the local branch within 1 day.
- The foreign trade transaction service allows for the submission of orders 24 hours a day, covering all major transactions. There is no need to send original documents, increasing convenience. Additionally, secure international money transfers for business customers are facilitated through the Bank's partner network, ensuring quick delivery to the destination. An intelligent system is in place to recommend international money transfer platforms tailored to the customer's needs, along with a system for verifying the recipient's account number.

- **International money transfer service via Visa B2B Connect:** The Bank collaborates with the leading global partner "Visa" to expand the international money transfer network and introduce the Visa B2B Connect service for the first time in Thailand. The service is built on the concept of being "confident, fast arrival, and offering competitive rates," facilitating direct transfers to the destination without intermediary banks. This approach reduces redundant work and lowers management costs, enabling operators to efficiently manage cash flow both domestically and internationally. Currently, Visa B2B Connect supports a wide range of international currencies and can be used for payments in more than 100 countries worldwide.

- **Krungthai Smart Trade:** The Bank has enhanced its international trade services with the introduction of "Krungthai Smart Trade," designed to cater to the needs of Thai importers and exporters. This initiative aims to provide added convenience, speed up processes, reduce redundancy, and simplify paperwork, offering customers an improved experience as outlined below:

- The Krungthai Trade Online service is a comprehensive online international trade platform that encompasses all key transactions in Trade Finance. This includes opening L/C and DL/C, as well as loans for imports and exports, and loan repayments. Notably, there is no requirement to submit original documents. The platform enables real-time tracking of transaction statuses in all steps, allows scheduled setting of transactions in advance, and facilitates the recording of regular transactions. Transaction reports from various channels are consolidated in one place, offering flexibility in setting the desired time and format for reports.
- Digital Remittance Solutions service collaborates with world-class partners, including VISA and Nium, to develop innovative foreign money transfer solutions tailored for business customers. This service, accessible through the "Krungthai BUSINESS" digital platform, enables businesses to seamlessly transfer money worldwide. The process is convenient and straightforward, offering competitive rates. Customers can initiate transfers via the website or mobile application and track transaction status 24 hours a day. Additionally, an intelligent system is integrated, providing recommendations for international money transfer platforms based on the specific needs of the customer.
- Expert consultation services are available through the established Trade Solutions team. They will professionally address all questions related to international trade and facilitate foreign transactions with international business centers nationwide.

3. Launch new growth platforms

The Bank has created a new platform to fully meet the needs of customers, enabling people at all levels to access funding sources and financial services more effectively. It encompasses all activities in the New Normal era and goes beyond traditional banking services, including Wealth-Tech, Virtual Banking, Banking as a Service, etc.

Examples of key performance in 2023 include:

- **"NEXT INVEST" service on the Krungthai NEXT application:** The Bank and Infinitas have collaborated to create the "NEXT INVEST" feature, aiming to optimize investment opportunities through an integrated digital platform. This feature consolidates diverse investment assets, including Thai stocks, foreign stocks, funds, debt instruments, savings bonds, bonds, and gold, all within a single application. Additionally, it broadens choices by integrating mutual funds carefully selected by top asset management companies. This comprehensive approach, organized in an open architecture format, empowers investors in the modern era to easily select

mutual funds that yield favorable returns from a diverse range of reputable companies. Customers can quickly and easily apply within 2 minutes without any required documents. They can open one account that provides access to all assets worldwide. The investment can start from just 100 baht, and the investment knowledge from the Krungthai CIO Office team helps recommend investments, creating opportunities for professionally receiving returns that meet the needs of all savings and investments. The Bank aims to increase opportunities for everyone to enter various forms of investments from every corner of the world. It creates stable financial growth in an inclusive and equitable manner, supporting all groups of people to have universal access to savings and investments, thereby reducing inequality and sustainably creating financial stability.

- **Real-time trading of private bonds and government bonds in the secondary market through the "Money Connect" service on the Krungthai NEXT application:** The Bank introduces Money Connect, a securities subscription system integrated into the Krungthai NEXT application. This system facilitates the trading of private and government bonds on the secondary market, overseen by the Thai Bond Market Association (ThaiBMA). The pilot service includes trading bonds of SCG subsidiaries, specifically The Siam Cement Public Company Limited (SCC), SCG Packaging Public Company Limited (SCGP), and SCG Chemicals Public Company Limited (SCGC), alongside other bonds and debentures. The Bank is well-prepared to offer comprehensive trading services, catering to both short-term and long-term investment durations, ranging from 30 days to over 10 years, to meet diverse investor needs.

The Bank will act as a counterparty for investors in buying and selling government bonds and private bonds through the Money Connect service on the Krungthai NEXT application, displaying the buying and selling prices in real time. Trading is scripless, with government bonds or private bonds being deposited into the investor's securities account at Krungthai Bank. This facilitates retail investors' access to real-time investing, making it easy, convenient, and safe. Additionally, it helps support the development of Thailand's bond and private bond markets.

- **Virtual Banking:** The Bank has signed a memorandum of understanding (MOU) with Advanced Info Service Public Company Limited to jointly invest in becoming a "Virtual Bank" service provider. They are preparing to establish a joint venture to operate a Virtual Bank in Thailand. The Bank will initially experiment with unsecured loans and then expand the service to include other types of loans. The target group comprises customers who currently lack access to the Bank's services, such as self-employed individuals with unclear income, etc.

- **Banking as a Service with SME D Bank:** The Bank cooperates with the Small and Medium Enterprise Development Bank of Thailand, or SME D Bank, to expand a new service channel through the "Pao Tang" application. This service will include offerings from SME D Bank within the "Pao Tang" application, with the initial launch taking place in the first phase (Phase 1). This phase encompasses: 1. Loan Payment History for up to 6 months for SME D Bank's individual customers, 2. Loan Payment for SME D Bank's individual customers, 3. Loan product news & information and development work from SME D Bank help entrepreneurs access the service "Knowledge coupled with capital," enhancing business potential to move forward continuously. In addition, in the next

phase, other services will be expanded to cover the needs of bank customers, ordinary juristic person groups, and continuously expanding new services, such as Check NCB and applying for loans, etc. SME D Bank is the first financial institution other than the Bank to provide services through the "Pao Tang" application, helping SME entrepreneurs easily access financial services and SME D Bank's development easily, conveniently, quickly, and safely.

- **Banking as a Service with ibank:** The Bank has collaborated with the Islamic Bank of Thailand (iBank) to launch the iBank Application, a mobile banking service from the Islamic Bank of Thailand available on the Pao Tang application. This marks the first application by a financial institution in Thailand that is compliant with Shariah principles. In this initial phase, iBank Application users can transfer funds from the application to their own accounts, accounts within the Bank, accounts in other banks, and transfer money to a PromptPay number. Users can also retrieve account information and view past transactions. In addition, it can calculate Zakat, a religious duty for all Muslims whose assets meet the conditions. It also provides the capability to search for bank branches and ATMs, along with channels for contacting the Bank. Furthermore, the Bank has collaboratively designed and developed the system with iBank, intending to gradually introduce additional services in the next phase. These services include bill payments, top-ups, electronic donations, scanning for payments, favorites management, notification services, loan account management, setting up advance money transfers, creating QR codes to receive money, applying for PromptPay service, withdrawing money without using a card, changing ATM PIN, and opening an online account, among others. The goal is to enhance convenience for customers and make the platform more user-friendly than ever before, aligning with the lifestyles of customers in the digital age.

4. Support sustainable and inclusive growth

The Bank drives business according to ESG principles and increases accessibility among grassroot customers, especially among retail customers who are unable to access financial services (Under Bank). It enables all groups of people to access financial services equally and transparently and reduces inequality in access to the fundamentals of the digital economy and the income distribution gap. It also connects SMEs with the digital economy and accelerates their adaptation to the new S-curve industry in order to jointly drive the Thai economy toward sustainability.

Examples of key performance in 2023 include:

- **ESG and Sustainable Green Financing:** The Bank has developed products to drive business according to ESG and sustainable development guidelines as follows:

- **Krungthai Loan for Sustainability (ESG):** The Bank supports the SME business sector in adapting to the new business world, which emphasizes green energy and Net Zero Emission for sustainable growth. This is achieved by providing capital for environmentally friendly business operations and facilitating the modification and improvement of equipment and production processes to reduce energy consumption
- **Sustainability-Linked Loan:** The Bank has partnered with Global Green Chemicals Public Company

Limited (GGC) to endorse a Sustainability-Linked Loan (SLL) amounting to 2,000 million baht for the long term. The key performance indicators (KPIs) associated with this loan are linked to CDP Climate Rating and the reduction of greenhouse gas emissions, aligning with the company's strategic plan for business growth. This collaboration also involves investments in and enhancements of production processes to align with Global Green Chemicals Public Company Limited's Net Zero policy by 2050.

Additionally, the Bank has entered into a collaboration with the Mitr Phol Group, jointly signing a contract to endorse loans tied to sustainable operations, totaling 2,000 million baht. The aim is to foster business practices aligned with sustainability principles, working towards achieving carbon neutrality and supporting the country's target of Net Zero through credit line assistance. This encompasses investments in research and development for innovative solutions that promote environmental sustainability. Furthermore, funds will be allocated for business expansion and used as regular working capital, in accordance with the Mitr Phol Group's policy. Clear goals, linked to the company's sustainability indicators, will be pursued throughout the contract period. The Sustainability-Linked Loan is a long-term credit line designed for investing in the development and research of innovations, aiming to create sustainability for the environment and society. This financial product and service are instrumental in supporting the business sector to recognize the significance of sustainable operations. It aids in reducing operating costs, fostering business growth, and promoting sustainable practices across all sectors of society.

- **Carbon Credit Linked Derivatives:** The Bank has signed a memorandum of understanding with PTT Public Company Limited and PTT International Trading Pte. Ltd., Singapore, to enter into a derivative contract aimed at hedging financial risks (Derivatives) linked to Carbon Credit Linked Derivatives for the first time in Thailand. This marks a new innovation in the Thai capital market that the Bank has designed and developed to meet PTT's financial risk management needs, while also advancing the greenhouse gas emissions reduction goals of both companies. It will also help develop the carbon credit trading market among domestic organizations, with PTTT, Singapore, acting as the supplier of standardized carbon credits to be used for reducing greenhouse gas emissions in future activities.
- **Carbon Credit Linked Investment Program:** The Bank, in collaboration with PTT Exploration and Production Public Company Limited, has carried out the Carbon Credit Linked Investment Program

for the first time in Thailand. The Bank has introduced financial innovations to manage investments for customers, aiming to achieve the objectives of creating returns on investment and responding to the organization's policy on reducing greenhouse gas emissions. The program will be implemented for a period of one year. Under this program, the Bank will support the provision of additional carbon credits to PTTEP if PTTEP can reduce greenhouse gas emissions according to the Key Performance Indicators (KPIs) set by the Bank.

- Carbon Credit Linked Interest Rate Derivatives: The Bank has partnered with Singha Estate Public Company Limited to initiate a contract for Carbon Credit Linked Interest Rate Derivatives, marking the first such collaboration in Thailand. This initiative aims to efficiently manage interest rate risk while simultaneously aiding Singha Estate in obtaining high-quality carbon credits for offsetting the company's carbon emissions activities. Successfully adhering to ESG goals, the company can specify qualifications for Voluntary Carbon Credits to align with both Thai standards (T-VER) certified by the Thailand Greenhouse Gas Management Organization (TGO) and the Verified Carbon Standard—an international standard issued by Verra. Additionally, the company can explore various Nature-Based Solutions, such as initiatives to protect and restore forests, etc.
- ESG Financial Solution: The Bank has partnered with PTT Global Chemical Public Company Limited to manage finances associated with ESG goals and bolster sustainable investment transactions. The collaboration involves choosing to invest in assets that align with sustainability principles (ESG Investing) and engaging in financial risk management transactions tied to ESG-Linked Derivatives. This is presented in the form of ESG for ESG Solutions, which is specifically designed to gauge ESG performance as a foundation for minimizing transaction costs. Notably, this marks the inaugural ESG collaboration intertwining liquidity management and risk management. Such a strategic alliance is anticipated to assist both organizations in attaining their sustainability objectives while concurrently achieving zero greenhouse gas emissions.
- Decarbonization Linked Cross Currency Swap: The Bank collaborates with Minor International Public Company Limited to enter into derivative contracts aimed at hedging against exchange rate and interest rate risks in Euro, particularly linked to the decarbonization Linked Cross Currency Swap. This initiative is in connection with investments in Europe, specifically in the NH Hotel Group. The Bank is prepared to offer funding support contingent on the hotel's success in reducing

greenhouse gas emissions in line with the specified target. This collaboration serves as an extension of Krungthai Bank's financial services, aligning with the organization's commitment to reducing carbon emissions and contributing to both its Net Zero goals and those of the country.

- Currency hedging derivatives linked to ESG and carbon reduction targets contract: The Bank collaborates with Thai Oil Public Company Limited to engage in currency hedging derivatives linked to the goal of sustainable corporate management contract, encompassing environmental, social, and governance dimensions, along with reducing carbon emissions. The Bank aims to decrease the hedging costs for the company, contingent upon achieving sustainability and greenhouse gas emissions reduction goals simultaneously. This collaboration serves as an extension of Krungthai Bank's financial services, aligning with the organization's commitment to reduce carbon emissions. It aims to contribute to both the Bank's Net Zero goals and those of the country, fostering sustainable growth that integrates business, society, and the environment.
- Development of platform for comprehensive greenhouse gas management: The Bank and Charoen Pokphand Produce Co., Ltd. (CPP) have signed a memorandum of understanding for a joint project aimed at studying the feasibility of greenhouse gas management. The project envisions the creation of a comprehensive greenhouse gas management platform to foster sustainable development. The Bank and its partner will collaboratively study and develop business practices related to greenhouse gas management. This initiative aims to establish connections among agencies responsible for standards governing the measurement of greenhouse gas emissions and the certification of activities for carbon offset mechanisms, both nationally and internationally accepted. The feasibility of carbon credit management has been examined for each organization, with the intention of commercial utilization under the Voluntary Greenhouse Gas Emission Reduction Program standard.

- **Digital Supply Chain Financing Project "Don Jai Store":**

The Bank collaborates with Berli Jucker Public Company Limited (BJC) on a project to develop a new retail model under the store brand 'Don Jai.' The initiative offers two financial products that will help entrepreneurs efficiently access funding sources, empowering stores and preparing for business growth. The aim is to support BJC's goal of promoting the upgrading of stores across the country with modern products and services that meet the needs of today's consumers. Members of the BJC-affiliated "Don Jai" store network can access revolving capital sources through the "Koo Ka Pa Ruay" loan program under the Digital Supply Chain Financing project. This initiative leverages digital data from trade and payments

connected to the Bank's Digital Supply Chain Financing Platform when evaluating loan applications for small entrepreneurs. This approach aims to enhance opportunities for accessing loan services. In addition, entrepreneurs operating Pracharath Blue Flag shops, Thung Ngern or Pao Tung shops, as well as those utilizing the Point of Sale (POS) System to accept payments, can access funding sources through small-sized SME loans. These loans aim to assist small shops in obtaining funding without the requirement for collateral. Presently, over 1,200 grocery stores have adopted the Don Jai shop business model. Berli Jucker aims to expand further by opening more than 8,000 Don Jai shops by 2023 and plans to grow the network to over 30,000 shops by 2027.

- **Digital Supply Chain Financing Project with DN Center's pharmacy network:** The Bank is collaborating with DN Center 2019 Co., Ltd., a wholesale service provider for medicine, medical supplies, and health products, catering to over 6,000 pharmacies nationwide. The primary focus of this collaboration is to enhance support for Small and Medium Enterprise (SME) customers, specifically pharmacy owners across the country. This support is facilitated through the Koo Ka Pa Ruay loan project, backed by funding from Krungthai Bank. The project is designed to benefit pharmacy entrepreneurs who are partners with DN Center, offering them a flexible working credit line (OD) tailored to their needs for ordering products through DN Center. Krungthai Bank utilizes digital data from trade and payments, eliminating the need for traditional financial documents to assess the appropriate credit limit for actual pharmacy purchases. This innovative approach not only streamlines the process but also enhances the chances of accessing funding sources while alleviating the burden of preparing extensive loan application documents.

5. Build future ready capabilities

The Bank has developed an efficient and timely enterprise-level risk management system, for example, accelerating effective risk management in terms of system readiness to support PDPA & cyber-risk to build confidence for all groups of customers, strengthening data analytics in order to understand customer needs (Digital Marketing) and stepping into personalized banking through a variety of channels. It has also elevated the competitiveness of its subsidiaries and coordinated business operations both within the Bank and among the companies in the Bank's business group in the form of One Krungthai. The Bank is ready to openly cooperate with all groups of partners, both public and private sectors, to develop products and services that can meet the needs of customers precisely and can truly meet every need.

Examples of key performance in 2023 include:

- **Personal Data Protection Knowledge & Innovation Development Project:** The Bank and the Office of the Personal Data Protection Committee (PDPC) have signed a memorandum of understanding for the "Personal Data Protection Knowledge & Innovation Development Project." This collaboration aims to enhance the efficiency of personal data protection in accordance with the Personal Data Protection (PDPA) Act. The project encompasses the strengthening of personal data protection standards on an international scale and the promotion of innovation development to enhance the competitiveness of the business sector. Furthermore, the project focuses on developing personnel to acquire knowledge

and understanding, enabling them to support research aimed at advancing technology related to personal data protection. The initiative offers academic services and operations pertaining to the protection of personal information for the Bank's service users and companies within the Bank's business group. Additionally, it seeks to disseminate and transfer knowledge about personal data protection to all sectors of society, with a particular emphasis on reaching youth and vulnerable groups.

- **Collaboration as a business partner with Fidelity International to enhance wealth management services:** The Bank has entered into a collaboration with Fidelity International, a global investment management company boasting over 50 years of business experience across 25 countries worldwide. Fidelity manages total assets exceeding 728 billion USD. This strategic partnership aims to augment the Bank's comprehensive investment services, including acting as a personal investment advisor, providing recommendations for investment portfolio allocation, strategies for optimal market timing, developing a range of borderless investment products, conducting personnel training courses, and enhancing the experience and expertise of the Bank's investment advisors in relation to investments. Moreover, Fidelity's expert team offers analytical services, contributing to the creation of a distinctive and superior investment experience for the Bank's customers. The Bank has extended its cooperation with Fidelity International and Krungthai Asset Management Public Company Limited (KTAM) to enhance wealth management services. The aim is to create a superior investment experience for the Bank's customers by issuing and offering Krungthai World Class Series funds. These funds provide opportunities to invest in a variety of assets around the world, totaling three funds. They are divided by return targets and customers' risk appetite, specifically tailored for the Bank's customers. The overarching goal is to create long-term financial stability.

The Krungthai World Class Series Fund made its initial public offering (IPO) between 2-11 August 2023, through the Krungthai NEXT application and Krungthai Bank branches nationwide. This fund accepts a minimum investment of only 1 baht. Results from the fund offering revealed that investors were keenly interested, contributing over 3,000 million baht in subscriptions during the IPO period. It will be offered again from 18 August 2023, onwards.

- **Establishment of a joint venture company, "IBM Digital Talent for Business":** The Bank has formed a strategic alliance with IBM, a world-class IT service provider and expert, to establish a joint venture company named IBM Digital Talent for Business (IBMDT). The objective is to enhance the Bank's IT capabilities in all dimensions, with a focus on developing personnel potential, improving IT operations, and advancing the bank's infrastructure. This collaboration addresses the Bank's needs in enhancing employee skills, encompassing both upskilling and reskilling, essential for future operations. Leveraging IBM's experience and expertise, it involves adjusting various operating methods of the IT Department, including both the Information Technology function and Krungthai Computer Services Company Limited (KTCS), for maximum efficiency. The initiative aims to make the Bank faster and more agile while upgrading various technologies to be modern, safe, stable, and efficient. This supports banking business operations according to future plans, such as incorporating AI into the Bank's internal processes, with the goal of propelling the Bank's core business

towards sustainable growth. It seeks to create new opportunities in the competition in the field of integrated financial business (Universal Banking) to meet future business needs and deliver a better experience to the Bank's customers and partners.

6. Upgrade core technology infrastructure

The Bank has continuously invested in IT infrastructure and digitalization to upgrade the technology structure to be modern, secure, safe, stable, efficient, and able to support the increasing number of users in the future. This is to provide and deliver the best products and services to customers, as well as build the confidence of customers who place their trust in using the Bank's services.

Examples of key performance in 2023 include:

- **Collaboration with Google Cloud for the development of open innovation:** The Bank is expanding its long-term cooperation with Google Cloud to accelerate the development of open innovation and facilitate access to financial inclusion. Under this enhanced collaboration, Infinitas by Krungthai will collaborate with Google Cloud to establish a scalable joint innovation platform and a personnel ecosystem capable of addressing the financial and lifestyle needs of all Thai people. The Company is currently utilizing Apigee, Google Cloud's industry-leading platform, for constructing and managing Application Programming Interfaces (APIs) to foster open innovation and address the financial and lifestyle needs of Thai users. Furthermore, leveraging Apigee's self-service developer portal, Infinitas can swiftly onboard new partners in just a few hours. This enables third-party developers to easily, conveniently, quickly, and securely create new services for 40 million users of the Pao Tang application, granting permissions exclusively to authorized users.

7. Transform culture: embed new ways of working to drive organization agility

The Bank must accelerate its adaptation, adopt a flexible way of working, and incorporate new approaches to achieve agility, flexibility, resilience, and speed, based on the Fail Fast, Learn Fast principle. The Bank has also upskilled and reskilled its employees to drive the business, especially focusing on skills related to understanding and utilizing digital technology (digital literacy). This ensures the ability to precisely meet customer needs, create a superior customer experience, ensure customer satisfaction, and encourage customers to choose the Bank as their primary banking institution. Additionally, the Bank aims to attract and retain talented employees who will contribute to the future success of the Bank. This strategy aims to position the Bank as a role model organization, fostering pride among employees for being part of Krungthai Bank.

Examples of key performance in 2023 include:

- **Cooperation with partners to upskill / reskill employees:** The Bank collaborates with Google Cloud through Arise by Infinitas to conduct training and certification programs for graduates and mid-level professionals. The goal is to cultivate a talent pool with deep expertise in application modernization, data science, AI, and cybersecurity, aiming to bridge the digital skills gap in Thailand's financial sector. This initiative also seeks to establish the country as an international hub for global Fintech talent.

In addition, the Bank has collaborated with IBM to establish a joint venture company, IBM Digital Talent for Business (IBMDT), to develop personnel potential and strengthen employees' skills. This includes both upskilling and reskilling, necessary for future

operations. Leveraging IBM's experience and expertise, IBM will employ the IBM Garage™ approach—a co-creation culture—to fully support the Bank in achieving its goals.

- **One Krungthai Application:** The Bank has developed "ONE Krungthai" to be a Workplace in Your Hands for Krungthai Bank's employees, facilitating all aspects of work and serving as a crucial mechanism in propelling the Bank towards becoming a digital organization, as follows:

- A digital working system designed to meet the demands of a contemporary lifestyle is a modern operational tool that incorporates a Chatbot an intelligent answering system. This Chatbot provides information to address employees' inquiries, encompassing topics such as work systems, products and services, laws and regulations, office equipment problem management, co-working space reservations, clock-in and clock-out times, as well as scanning doors for entry into different offices. In lieu of traditional employee cards, the system handles tasks such as leave notifications, medical expense reimbursements, and requests for various documents.
- Upskill-Reskill serves as a crucial tool in advancing employees' knowledge by augmenting their skills through e-Training—an online training system that allows flexibility in choosing when and where to train. This comprehensive system not only displays training plan results but also evaluates work performance, outlines the Training Roadmap for employees in each position, provides coaching and feedback, and maintains a record of training history.
- The presentation in a personalized content mode enables communication with employees to reach the target group thoroughly, quickly, and efficiently. This provides an opportunity to build good relationships with colleagues in various departments by preparing a phonebook to search for colleagues.
- The Sustainable Krungthai is dedicated to realizing tangible outcomes through the Culture Dashboard, cultivating the 5 key of core value Integrity, Breakthrough, Efficiency, Social and Teamwork engagement in all activities. The initiative seeks to mold the DNA of Krungthai individuals who reject any form of corruption, offering avenues for appreciation through contributions of heart-shaped figures and the honoring of employees.
- The efficiency of customer service has been enhanced by ONE Krungthai connecting to the We Care system - a channel for listening to the opinions of clients using services at the branch. In the event that the client is not satisfied with the service, the system will notify the branch manager in real-time to solve problems promptly. There is also a Notification Center's notification system for relationship management staff (RIM) and sales staff to inform customers of appointments and important dates. The ATM guardian system is also provided,

where all employees can immediately report problems with ATM usage and follow up on repair status, making it possible to resolve issues quickly and continuously resume services.

- Involvement and positive internal relationships are established to create a new experience for employees, encouraging their participation in various activities. This includes earning Badges (Emblems) and Coins through activities such as reading daily news, training, and testing to enhance knowledge. This approach applies gamification concepts to the development of the application, allowing users to use earned coins to exchange for prizes. The features that meet the needs of working in the digital age have enabled ONE Krungthai to foster involvement and engagement within the organization. The proportion of employees installing the application is 99.96% of the total number of employees. This will help create a positive experience for employees, address the demands of a new lifestyle, enhance organizational management efficiency, instill a DNA to drive Sustainable Krungthai, elevate the level of customer service, and strive towards becoming a digital organization.

Krungthai Bank, as the country's leading commercial bank, is committed to driving the strategy for developing technology and financial innovation under the concept of "Accelerating Sustainable Value Creation." We achieve this by developing modern financial products and services on digital channels that everyone can access, meeting the diverse needs of every customer group in every dimension. Our goal is to drive potential growth while prioritizing environmental, social, and good governance (ESG) practices. This is aimed at improving the quality of life for all Thai people every day, ensuring comprehensive and universal access to financial resources. Our efforts align with the vision of "Growing Together for SUSTAINABILITY."

The Bank Directions, Plans and Key Projects in 2024 (Forward Looking Information)

The future direction of the Thai economy continues to face more challenges than in the past, primarily due to various surrounding factors. These include the global economic slowdown resulting from the impact of higher interest rates and uncertainties stemming from geopolitical conflicts. Additionally, challenges arise from higher levels of household debt and shifts in consumer behavior due to the rapid development of technology. Changes in regulations, such as the 3 Opens policy, the Bank of Thailand's Responsible Lending criteria, and sustainability guidelines, are also influencing the economic landscape. The enforcement of Environmental, Social, and Governance (ESG) measures is increasingly impacting the financial institution sector and the Bank's customers. Furthermore, factors like climate change may affect production and income in the agricultural sector. To effectively respond to rapid and drastic changes, including various challenges affecting business operations both now and, in the future, Krungthai Bank must quickly adapt to the evolving needs of each group of stakeholders. The Bank will concentrate on business operations guidelines that emphasize promoting innovation to

create value and meet customer needs, thereby contributing to sustainable growth for the Bank in the future.

In 2024, Krungthai Bank will focus on driving the organization under the concept of "Reshaping Client Value Proposition", fostering innovation, and ensuring customer responsiveness towards sustainability as a guideline for the Bank's business operations. The emphasis will be on pushing for innovation to create value and giving importance to accelerating the creation of value that can meet customer needs through innovation, such as the use of AI in work. Every employee must hasten to continuously learn, change, and develop, cooperating together to cope with challenges, turning crises into opportunities. Utilizing the trend of violent and rapid change, the Bank aims to build its competitiveness and business growth opportunities in the future. Additionally, The Bank will accelerate its push to become a leading commercial bank in the country and contribute to supporting the achievement of the Bank's strategic objectives, including:

1. **Accelerating integration of the foundation and existing business structure (Transform the Core)** through organizational culture reform, cultivating new ways of working, can attract a new generation of potential innovators to collaborate with the Bank. This aims to drive the organization with agility, flexibility, and readiness to adapt to various changes and challenges in the Bank's businesses.

2. **Accelerating Growth and changes aim to strengthen current businesses**, ensuring continuous and efficient growth of the core business. This involves the development of tools and processes to serve customers across all channels, unveiling innovations, and introducing new products and services that cater to customer needs. Moreover, endeavors extend from customer partnerships (X2G2X) through digital tools to encompass the entire supply chain.

3. **Accelerating Creation of new businesses to foster growth in new dimensions (Grow New Businesses)** through new alliances and business styles. This aims to build on and expand the results, leveraging concepts like Banking as a Service or various platforms that the Bank already possesses. The goal is to create economic value that meets the needs of the Bank's trading partners and facilitates entry into the digital economy. This approach is designed to continuously, firmly, and sustainably generate benefits for all involved parties in every sector.

In 2024, Krungthai Bank has continued to focus on the implementation of the 7 strategic focuses. The aim is to accelerate the execution for creating competitiveness and business growth opportunities in the future through various important operations as follows:

- 1) **Unlock disproportionate value from X2G2X:** Connections among different customer groups, including B2B, B2C, G2B, and G2C, and launching a platform that meets the needs of customers' partners and reaching out to grass-roots customers to reduce inequality.
- 2) **Leverage digital and data to drive efficiency:** Accelerating the use of information and technology to improve work processes, understand customer needs, and meet the needs of all customer types.
- 3) **Launch new growth platforms:** including Wealth-Tech, Virtual Banking, Banking as a Service, etc., and financial services at all levels.

- 4) **Support sustainable and inclusive growth:** Driving business according to ESG principles and increases accessibility among grassroot customers, connecting SMEs with the digital economy and accelerating their adaptation to industrial group (New S-Curve).
- 5) **Build future ready capabilities:** including accelerating effective risk management in terms of system readiness to support PDPA & cyber-risk, strengthening data analytics in order to understand customer needs (Digital Marketing) and stepping into personalized banking through a variety of channels, as well as elevating the competitiveness of its subsidiaries.
- 6) **Upgrade core technology infrastructure:** Providing modernization, security, safety, stability, efficiency, and ability to support the increasing number of users in the future to support and deliver the best products and services to customers, as well as to build the confidence of customers who place their trust in using the Bank's services.
- 7) **Transform culture: embed new ways of working to drive organization agility:** The Bank's employees must dare to change for progress and adapt themselves quickly, adopt a flexible and agile way of working, and are enhanced with new skills related to digital literacy, to position the Bank as a role model organization, fostering pride among employees for being part of Krungthai Bank.

The Bank will prioritize collaboration and coordination in business operations, fostering synergy between the Bank and companies within the Krungthai Bank Group under the banner of One Krungthai. It is committed to open collaboration with diverse partners, including government and private agencies. The objective is to drive innovation, generate value, and effectively address customer needs, thereby Reshaping Client Value Proposition, fostering innovation, and ensuring customer responsiveness towards sustainability. This commitment involves the development and offering of products and services in the form of "Total Solutions," designed to encompass every aspect of general customers' lives. The overarching goal is to enhance the quality of life comprehensively and sustainably. These efforts align with the Bank's vision and mission, contributing to the improvement of its competitiveness, positioning it ahead of competitors. The Bank's focus is on creating sustainable value for itself, its employees, shareholders, the society, and all Thai people.

Under 7 strategic focuses, Krungthai Bank, as a leading commercial bank of the country and focusing to become the leaders in commercial banking business in Thailand corresponding to the needs of all sectors, focusing on developing financial technology and innovation through the development of modern financial products and services on digital channels that everyone can access to meet the needs of every customer group in every dimension, aiming to create opportunities for Thai people and improve the quality of life in a comprehensive and equitable manner through the Thailand Open Digital Platform. The Bank helps push forward the Thailand 4.0 policy towards a cashless society and jointly supporting potential industries and new target industries. The Bank aims to drive the organization to Reshaping Client Value Proposition, fostering innovation, and ensuring customer responsiveness towards sustainability, supporting the Bank's business operations in all dimensions to grow along with the society,

responding to the needs and expectations of all stakeholders, which leads to an emphasis on creating value towards sustainability for Krungthai Bank and all Thai people. Such actions by the Bank will build its competitiveness in digital banking, support the Bank's role as a pillar in driving the economy and enhancing the country's competitiveness. Inclusively, the Bank aspires to build public trust, in line with the vision and missions that focus on improving the well-being and quality of life of the Thai people to support their continued growth stably and sustainably.

1.1.2 Major Changes and Developments

Krungthai Bank was established on 14 March 1966 through a merger between the Monthon Bank Co., Ltd. and Kaseat Bank Co., Ltd., with the Ministry of Finance as the major shareholder, holding 93.12% of the registered capital. After that, the Bank has increased its capital several times. Until 1988, the Ministry of Finance's shareholding was reduced to 38.17%. In the same year, the Financial Institutions Development Fund (FIDF), which is a juristic person established in the Bank of Thailand in 1985 under the Bank of Thailand Act B.E. 2548 (A.D. 1942), acquired holding 38.09% of the registered capital of the Bank. Later in 1998, the Bank increased its capital again, and the FIDF has purchased shares in proportion to the rights of shareholders, including the purchase of shares of the Ministry of Finance and other shareholders who do not exercise their rights.

In September 2002, the Extraordinary General Meeting approved the reduction of its registered capital to decrease the accumulated loss through lessening the par value from formerly Baht 10 to Baht 5.15 per share.

In October 2003, owing to the Financial Institutions Development Fund (FIDF) having the policy to reduce its shareholding in the Bank, the Bank then made a public offering of the 3,000 million shares held by FIDF. The public offering drew extensive attention from investors; therefore, an additional 450 million shares were offered, totaling 3,450 million shares at Baht 8.50 per share. After the public offering, FIDF held 56.4% of the Bank's total paid up shares at that time.

In October 2012, the Bank increased its capital fund by issuing rights offerings of 2,796.31 million ordinary shares with par value at Baht 12.60 per share to the existing shareholders. After such capital increase, FIDF still retained its status as the major shareholding of the Bank accounting for 55.05% of the Bank's total shares as of 31 December 2012.

As a company listed on the Stock Exchange of Thailand, on 2 August 1989, the Bank listed its shares on the Stock Exchange of Thailand and began trading on the Stock Exchange of Thailand since then, using the abbreviation KTB. The Bank registered its transformation to a public limited company on 24 March 1994 under the name "Krungthai Bank PCL", with the registration no. Bor.Mor.Jor. 335 (which presently has been changed to 0107537000882).

The Bank accepted the transfer of assets and liabilities of Sayam Bank Limited in August 1987 and of the First Bangkok City Bank Pcl. in November 1998 for further management.

In terms of the Bank's status, it has been interpreted in the past that the Bank was a state enterprise. Thus far, the subsequent amendments to the law, including the enactment of several new laws, have affected the consideration of the Bank's status. In November 2020, accordingly, the Office of Council of State had considered the discussions of the Financial Institutions Development Fund (FIDF) and opined that FIDF (holding more than 50% of the Bank's shares)

does not have the nature of an enterprise or commercial business similar to other state enterprises. Therefore, FIDF is not a government agency under the law on the government organization establishment, nor it is not a government entity established by law, and it is not a government-owned business entity. Moreover, the FIDF was established under the Bank of Thailand Act, which is considered as a division of the Bank of Thailand. When Section 5 of the Bank of Thailand Act B.E. 2485 (A.D. 1942) as amended by the Bank of Thailand Act (No. 4) B.E. 2551 (A.D. 2008) has designated the Bank of Thailand as a state agency that is not a government agency or a state enterprise under the law on budget procedure and under other laws, the FIDF therefore has the same status as the Bank of Thailand. Consequently, the FIDF is not the state enterprise under Section 4 of the Budget Procedures Act B.E. 2561 (2018). As the FIDF is not the state enterprise, although holding more than 50% of the Bank's total capital, the Bank does not qualify as a public limited company that is a state enterprise under the definition of "state enterprise" in sub-sections (2) and (3) of Section 4 of the aforementioned Act. The Council of State also further gave its opinion that "state enterprise" is defined in several laws and the determination of whether an agency is a state enterprise or not depends on each relevant law.

However, since more than 50% of the Bank's capital shares are held by the Financial Institutions Development Fund (FIDF), the Bank is still considered as a state commercial bank, in which more than 50% of its shares are held by a state agency. Besides, the Bank is a public limited company according to the Public Limited Companies Act B.E. 2535 (A.D. 1992) and the Financial Institutions Businesses Act B.E. 2550 (A.D. 2007) (and its amendments). Henceforth, the Bank still operates its business as a commercial bank and continues to be a listed company in the Stock Exchange of Thailand as previously. Meanwhile, by complying with the Regulation of the Ministry of Finance on the Withdrawal, Receipt, Disbursement, Custody of Funds; and the Delivery of Funds to Treasury, B.E. 2562 (A.D. 2019) and its amendment, it is still stipulating that the government agencies must open deposit accounts with the Bank, whereas the State Enterprise Policy Office with the approval of the Ministry of Finance also allows the state enterprises to continually deposit money with the Bank.

Additionally, according to the credit rating announcement by Fitch Ratings, it states that the Bank's credit rating reflects the Bank's role in terms of explicit policies during Thailand's challenging economic conditions from the outbreak of the coronavirus. The Bank plays a very active role and has a direct responsibility to support government policy by helping the government to distribute stimulus and aid programs through its applications and branches.

Therefore, the change of the Krungthai Bank status does not affect the Bank's financial status and business operations in any way, especially its role as a state commercial bank with more than 50% of the shares held by government agencies.

Nevertheless, the interpretation of the status of Krungthai Bank under each law can be different depending on the scope of the definition of the term "state enterprise" under each law, which is diverse in accordance with its different purposes and scope of enforcement of law. In this regard, although the status of the Bank under other laws will have different interpretations, it does not affect the fact that Krungthai Bank is the state commercial bank with a government entity holding more than 50% of its shares, and still

plays an important role in supporting government policies as discussed above. The various agencies have offered their opinion on the legal status of Krungthai Bank according to other laws since 2021 onwards as follows:

- The Council of State had additional opinions on the status of Krungthai Bank under other laws as follows:
 - Krungthai Bank is a public limited company established under the pursuant of the Public Limited Companies Act B.E. 2535 (A.D. 1992), so the Bank is not a government organization under the law on the establishment of government organizations, nor a state-owned organization under the law on the establishment of such organization nor a government-owned business unit, whereas the Financial Institutions Development Fund (FIDF) is not a state enterprise according to the opinion of the Council of State, commented in November 2020. Therefore, the fact that the FIDF holds more than 50% of the total capital, does not enable the Bank to become a state enterprise as prescribed by definition of state enterprise under the Standard Qualifications of State Enterprise Directors and Officials Act, B.E. 2518 (A.D. 1975) and the state Enterprise Labor Relations Act B.E. 2543 (A.D. 2000).
 - The Bank is a public limited company in which the Ministry of Finance holds 0.000022% of the paid-up capital, therefore this is less than 50% as specified in (2) the definition of state enterprise under the 'Development of Supervision and Management of State Enterprises Act, B.E. 2562 (A.D. 2019).
 - The Financial Institutions Development Fund is "other state agency" under Section 4 of the Public-Private Partnership Act. When FIDF holds more than 50% of the total capital in the Bank, then the Bank is a state enterprise according to the definition of state enterprise in Section 4 (2) or (3) of the Public Private Partnership Act, B.E. 2562 (A.D. 2019).
- The Social Security Office has commented that Krungthai Bank is clearly a juristic person separated from the BOT, and it is not exempt from Section 11 of the Bank of Thailand Act. The Bank is therefore subject to the Social Security Act, B.E. 2533 (A.D. 1990) and the Workmen's Compensation Act B.E. 2537 (A.D. 1994).
- The Public Debt Management Office has opined that the Bank is considered a state enterprise under section 4(b) of the Public Debt Management Act because the definition provided for the term "state enterprise" under the Public Debt Management Act and the Budget Procedures Act are different.
- The National Anti-Corruption Commission (NACC) is of the opinion that Krungthai Bank is a government agency and state enterprise, under the definition of "State Official", according to Section 4 of the Organic Act on Anti-Corruption B.E. 2561 (A.D. 2018). The Bank's Directors, executives, including employees of Krungthai Bank, who perform duties in a state enterprise or a state agency, thus shall have the status of government officials and state officials. In this regard, the NACC has the power to investigate and determine the culprit in cases where Bank employees commit malpractice offenses in their duties. In addition, Krungthai Bank and Krungthai Bank employees are obliged to comply with the said Act in other categories respectively, except in the cases under

(1) Notification of the NACC Re: Prescribing the State Officers Positions Prohibited from Undertaking Any Act under Section 126 B.E. 2563 (A.D. 2020), and (2) the NACC Re: Prescribing the Positions Prohibited from Undertaking Any Act under Section 127 B.E. 2563 (A.D. 2020).

- The Office of the Attorney General has considered that, when the FIDF is a government agency under section 5 of the Bank of Thailand Act B.E. 2542 (A.D. 1999), therefore, the fact that the FIDF, which is a government agency, holding more than 50% of shares in Krungthai Bank, has resulted in Krungthai Bank to maintain the status as other state agency or other agency undertaking government business under the Public Prosecution Organization and Public Prosecutors Act B.E. 2553 (A.D. 2010). Hence, the Office of the Attorney General thus continues to provide assistance in litigation to Krungthai Bank.

- According to the registrar announcement of the State Enterprise Labour Relations Act, B.E. 2543 (A.D. 2000), it states that since FIDF is a part of the Bank of Thailand, which is not a government agency or a state enterprise under the definition of state enterprises in the State Enterprise Labour Relations Act, B.E. 2543 (A.D. 2000), even the FIDF holds shares in the Bank more than 50% of the total capital, it does not make Krungthai Bank a state enterprise under the said Act. As a result, the Krungthai Bank State Enterprise Labour Union, established under the State Enterprise Labor Relations Act B.E. 2543 (A.D. 2000), ended on 12 March 2021. Though, the registrar under the Labor Relations Act B.E. 2518 (A.D. 1975) has been

registered for the Krungthai Bank Labor Union according to the Labor Relations Act B.E. 2518 (A.D. 1975) on 9 April 2021.

- The State Audit Office of the Kingdom of Thailand has given its opinion that Krungthai Bank is a state enterprise that is audited by the State Audit Office of the Kingdom of Thailand in accordance with Section 4(4) of the Organic Act on State Audit B.E. 2561 (A.D. 2018).

- The Treasury Department has construed that Krungthai Bank does not fall within the definition of "a State enterprise" under clauses (2) and (3) of the definition of "a State enterprise" in Section 4 of the Budgetary Procedures Act B.E. 2561 (A.D. 2018) and the Ministerial Regulation on Acquisition of Benefits in State Property B.E. 2552 (A.D. 2009), Section 7(6). However, Krungthai Bank is classified as an "other state agency" under the Ministerial Regulation on Utilization and Management of Ratchaphatsadu Land B.E. 2552 (A.D. 2009), Section 7 (7).

- Public Procurement and Supplies Administration Ruling Committee has defined that Krungthai Bank does not have the status of a state enterprise as it was established under the Public Company Limited Act, B.E. 2535. Consequently, Krungthai Bank is not considered a state enterprise within the meaning of State enterprise ' as defined in Section 4 of the Government Procurement and Supplies Management Act B.E. 2017."

Nevertheless, should there be additional interpretations concerning the bank's status under other laws, updates will be provided accordingly.

1.2 Business Operation

1.2.1 Income Structure

Main income structure of the Bank between 2021-2023

Unit : Million Baht

Financial Statement (consolidated)	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Interest income						
Interbank and money market items	12,185	8.2	4,338	3.5	2,954	2.5
Investments and trading transactions	190	0.1	217	0.2	345	0.3
Investments in debt securities	4,637	3.1	4,246	3.4	3,437	3.0
Loans to customers	134,635	90.1	104,302	83.2	97,932	84.6
Hire purchase and financial leases	231	0.2	111	0.1	104	0.1
Others	491	0.3	261	0.2	60	0.1
Total Interest income	152,369	102.0	113,475	90.5	104,832	90.6
Interest expenses						
Deposits	15,393	10.3	9,651	7.7	10,302	8.9
Interbank and money market items	4,049	2.7	1,904	1.5	1,607	1.4
Contributions to BOT and Deposit Protection Agency	12,409	8.3	6,443	5.1	6,145	5.3
Debt issued and borrowings	6,502	4.4	4,806	3.8	3,327	2.9
Others	597	0.4	266	0.2	79	0.1
Total Interest expenses	38,950	26.1	23,070	18.4	21,460	18.6
Interest income, net	113,419	75.9	90,405	72.1	83,372	72.0

Unit : Million Baht

Financial Statement (consolidated)	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Fees and service income	28,671	19.2	28,096	22.4	28,310	24.5
Fees and service expenses	7,799	5.2	7,780	6.2	8,288	7.2
Fees and service income, net	20,872	14.0	20,316	16.2	20,022	17.3
Gains on financial instruments measured at fair value through profit or loss	5,178	3.5	5,233	4.2	3,467	3.0
Gains on investments, net	195	0.1	239	0.2	711	0.6
Share of profit from investments accounted for under equity method	1,353	0.9	1,095	0.9	1,046	0.9
Dividend income	320	0.2	352	0.3	379	0.3
Other operating income	8,128	5.4	7,751	6.2	6,789	5.9
Total Non-Interest Income	36,046	24.1	34,986	27.9	32,414	28.0
Total income, net	149,465	100.0	125,391	100.0	115,786	100.0

1.2.2 Core Business Operations

Retail banking

1.2.2.1 Retail Banking

The Bank has developed a range of deposit products to provide retail customers with convenient and quick access to financial services. These include 'Pao Mee Tang e-Savings' (a non-passbook account accessible via the Pao Tang Application), 'Krungthai Care Savings' offering accident insurance coverage, and 'Wealthy Retirement Savings' designed for retirees, which includes monthly refunds and debit card privileges with accident insurance coverage. Furthermore, the Bank regularly offers special fixed deposit products in both Thai Baht and foreign currencies, providing customers with alternative saving options. This includes a new type of fixed deposit offering high step-up returns, supporting non-profit juristic person customers where the Bank reserves the right to prepay the principal before the deposit's maturity date.

The Bank offers a diverse range of housing loan products tailored to specific customer groups, including those purchasing homes from leading real estate developers, special occupational classes, government employees, and private employees with a memorandum of understanding with the Bank. One notable product, 'Home for Cash,' uses the same collateral as housing loans and is aimed at supporting consumption needs like renovations, repairs, life insurance premium payments, and ESG policy-related expenses. This includes environmental initiatives like installing a Solar Rooftop System, EV chargers for electric vehicles, and purchasing energy-efficient Label No. 5 electrical devices and appliances.

The Bank's key personal loan products include the 'Krungthai Thanawat Loan' (Revolving Loan) for customers receiving their payroll through the Bank, and the 'Multi-Purpose Loan' (Term Loan) for personnel of government, state enterprise, and private company, available both as a welfare loan with a memorandum of understanding and as a non-welfare loan without such an agreement, and loans for government pensioners, regular employees who are pensioners, and potential private company employees.

The 'Krungthai 5 Plus Loan' is a Clean Loan product that includes both the '5 Plus Multi-Purpose Loan' (Term Loan) and the '5 Plus Krungthai Thanawat Loan' (Revolving). It is designed for private employees who receive their salaries through Krungthai account.

The 'Krungthai Smart Money Loan' is a Clean Loan designed to support customers with a regular income (salary) and self-employed retailers.

The 'Krungthai Jai Pum Loan' and 'Krungthai Pay De Loan' (Term Loan) services are available through the Krungthai NEXT channel.

Moreover, there are Krungthai Home Easy Cash Loan and Local and Overseas Education Loan.

The Bank has consistently organized special activities, participated in financial fairs, and implemented measures to assist customers affected by the COVID-19 pandemic. These measures vary to suit the unique needs of individual customers for each product.

1.2.2.2 sSME Customers

sSME Loans

The sSME Loans are designed to support small business operators with an annual sales volume of no more than 100 million Baht and a total business credit line not exceeding 20 million Baht.

In 2023, the Bank has expanded its main loan offerings, including the 'Krungthai sSME Supply Chain Financing Loan.' This expansion broadens the customer base by extending loans not only to the Bank's customers but also to all alliance partners. The 'Krungthai sSME Smart Shop Loan' aims to boost liquidity for retail, wholesale, or service stores that utilize the Bank's applications like Thung Ngerm and Paotung, or through online platforms. Additionally, the 'Krungthai sSME EEC 4.0 Loan' aligns with the government's Thailand 4.0 Strategic Plans, supporting entrepreneurs in the Eastern Economic Corridor (EEC). Furthermore, the 'Krungthai sSME Loan for Bangkok retailers,' a collaboration with the Bangkok Metropolitan Administration, provides funding for authorized merchants to sell in public areas of the Bangkok Metropolitan Administration.

Wholesale Banking

1.2.2.3 Corporate Loans

The Bank offers corporate loan services to corporate customers with an annual sales volume exceeding 1,000 million Baht or a credit line over 500 million Baht. These services include integrated financial solutions tailored to various business types, providing a 'Total Solution' approach that can satisfy the customer needs in areas such as loans, fundraising, hedging against financial structure risks, marketing, exchange rate variability, and fluctuations in goods and raw material prices due to economic conditions and rapidly changing consumer behavior to align with the Bank's mission to be a Trusted Financial Partner for its customers.

The Bank focuses on the following services.

- Expanding the customer base in innovative industries, particularly within government investment projects and the Eastern Economic Corridor (EEC) development projects, to contribute to driving the economy and enhancing the country's competitiveness.
- Expanding the customer base for Main Operating Accounts at the Bank, aiming to meet customer needs and facilitate their transactions.
- Supporting corporate customers for expanding their businesses into foreign markets, particularly in Asia-Pacific and CLMV (Cambodia, Laos, Myanmar, and Vietnam) countries.
- Supporting corporate customers in investing or operating businesses that contribute to sustainable development, particularly in line with BCG (Bio-Circular-Green) or ESG (Environment, Social, and Governance) models. This approach emphasizes considering the impacts on the environment, social, and governance.
- Developing processes and strategies to provide optimal customer service in the digital age, with a focus on leveraging technology to enhance efficiency.
- Continuously enhancing personnel's capabilities and adapting internal work processes with a customer-centric approach to ensure a positive experience for our customers.

In 2023, Thai economy continues on a recovery path, primarily driven by the resurgence of the tourism sector. Despite this growth, various risk factors persist, including the global economic slowdown, high policy interest rates, and climate change impacts on the manufacturing and agricultural sectors. Additionally, the gradual phasing out of government relief measures for COVID-19 adds to these challenges. In response, the Bank has still considered providing tailored assistance to each customer, helping them sustain their businesses during these fluctuating economic conditions.

Furthermore, the Bank actively supports customers seeking to enhance their business potential in regional trade and investment. This is facilitated through the expansion of the Bank's international presence, which includes five foreign branches and one representative office, namely in Phnom Penh, Siem Reap Province, Vientiane, Singapore, Kunming, and the Yangon Representative Office.

1.2.2.4 Government Loans

The Bank has provided the following loan services to the government agencies which are a large customer base and contain low risk.

1. The Bank provides loans, both short-term and long-term, to government agencies and state enterprises, supporting the objectives related to government policies and state enterprise activities.
2. The Bank offers loans to support private sector entrepreneurs, particularly those in the SME sector, utilizing various government assistance measures.

2.1 The Bank collaborates with the government sector to provide soft loans, supporting the private sector. These include the Environmental Loan Scheme (Environment Fund by the Ministry of Natural Resources and Environment), the Revolving Fund for Energy Conservation Schemes (by the Ministry of Energy), interest-free loans for innovation by the National Innovation Agency, development and research loans for SMEs by the National Science and Technology Development Agency (NSTDA), soft loans for Thailand tourism recovery, and rehabilitation and transformation loan measures for entrepreneurs investing in Digital Technology, Green initiatives, and Innovation for sustainability, enhancing the competitiveness of Bank of Thailand (BOT)-regulated entities, etc.

2.2 The Bank is involved in the Credit Guarantee Schemes of TCG, providing guarantees for potential entrepreneurs who need access to loans but lack sufficient collateral.

To improve the living standards of personnel in government agencies, state enterprises, and other government bodies, the Bank collaborates with the government sector to offer loans at special interest rates for those with payroll processed through the Bank and include options for payroll deduction for loan payments. The offerings encompass housing loans, multi-purpose loans (including for pensioners), Krungthai Thanawat Loans, and loans for members of the Government Pension Fund (GPF), all falling under personal loans.

1.2.2.5 SME Loans

SME Loans are designed to support entrepreneurs across major business sectors with credit lines ranging from 20 to not more than 500 million Baht or customers with a sales volume of at least 100 million Baht nationwide. The loans also cater to customers with credit lines exceeding 500 million Baht, specifically those without establishments or headquarter in the Bangkok Metropolitan Region.

The Bank provides its services with three global business megatrends: digital technology (Digital), environmentally friendly business (Green), and future world innovations (Innovation). This approach supports SMEs in adapting to green business trends for sustainable growth. The 'Krungthai ESG Loan' facilitates investment in energy-efficient equipment and environmental conservation. Additionally, the Bank assists SMEs investing in Robotics & Automation to keep pace with modern technologies. With the health sector's growth, especially due to the impact of COVID-19, the Bank has also introduced the 'Medical & Healthcare Business Loan,' which

aids entrepreneurs in manufacturing or selling treatment products and medical supplies and equipment, helping them expand their businesses, achieve robust growth, and elevate medical goods to international standards.

Furthermore, the Bank extends support to entrepreneurs and business partners (supply chain) within potential and government-targeted zones, such as the Eastern Economic Corridor (EEC) Special Economic Zone to facilitate access to funding sources, upgrade the country's industries, and enhance competitive potential through Krungthai SMEs EEC Loans.

1.2.2.6 Cash Management

Cash Management Service

The Bank focuses on integrated cash management services, catering to businesses of all sizes across various industrial sectors, including corporate customers, small and medium-sized enterprises (SMEs), small-scale SME entrepreneurs, and government agencies. These services are offered through the Krungthai BUSINESS digital platform and various secure electronic channels. In addition, the Bank boasts an extensive nationwide branch network. Our services encompass a range of payment options, such as in-house transfers within Krungthai Bank, interbank transfers, bill payments, and employee payroll processing, and collection services, such as collection services for goods and service payment, auto debit service, cheque deposit service, including deposit account service, liquidity management service, and account information service.

Last year, the Bank emphasized understanding real customer needs and focused on value creation in the service. The Bank aimed to enhance customer experience and foster commitment through the digital platform, encouraging business customers to increasingly use the financial management services with Krungthai Bank as their Main Operating Account. Additionally, the Bank introduced service products based on the Total Solution Model. This model offers comprehensive financial management solutions tailored to businesses of all sizes, utilizing a payment system that adheres to international standards and encompasses all our service products.

Corporate Credit Product

The primary aim of the credit services is to support capital requirements and manage liquidity for both customers and their business partners within the same ecosystem. To boost liquidity, the Bank offers credit based on trade documents or data. Examples of such services include supply chain financing credit, factoring credit, and others. Additionally, the Bank provides various credit services to facilitate customers' expansion. This includes long-term loans for construction or improvement of establishments involved in the Bank's supply chain projects. The Bank also offer specific discount credit services like aval discount and sugarcane payment discount.

In addition to the credit services, the Bank offers credit products related to acceptance or guarantee deposits, such as the Letter of Guarantee (LG) service, Aval acceptance service, and Letter of Credit Confirmation (CC) issuance service, etc.

These products are integrated with the systems of relevant agencies, ensuring real-time data transfer, status monitoring, and verifiability of past transactions. Emphasizing digital transformation, the Bank has upgraded the credit product services. By developing and integrating these services onto electronic platforms, the Bank aims to make credit transactions for our customers and their business partners more responsive, easy, convenient, and fast. Examples include e-LG issuance, e-CC issuance, Smart Aval discount, and e-LBD service for sugarcane payment discount. In 2023, the Bank introduced the e-PN issuance and renewal service in the fourth quarter, starting with a pilot in the Eastern Economic Corridor (EEC), a strategic area for the Bank. This service significantly reduces paperwork and processing time for both customers and the Bank.

Additionally, the Bank also provides credit services to align with the Environment, Social, and Governance (ESG) development concept. This includes the issuance of corporate green lending credit products, specifically designed to support energy and environmental conservation initiatives. These loans enable entrepreneurs to invest in solar panel installations and EV Charger setups, contributing to the reduction of carbon dioxide emissions and supporting Thailand's Carbon Neutral goals. In implementing these credit services, the Bank places a strong emphasis on educating entrepreneurs about energy conservation and collaborates with business partners to offer a comprehensive 'Total Solution' for those interested in sustainable practices.

International Trade Product

Krungthai Bank offers comprehensive financial services for import and export businesses, including domestic trade in goods through Domestic Letters of Credit Payment and Foreign Letters of Guarantee Service (Counter Guarantee/ Standby Letters of Credit). These services are designed to facilitate transactions for importers and exporters across various industries. The specialist team provides expert advice on practices outlined by The International Chamber of Commerce (ICC), including UCP 600, URC 522, and URR 725. The Bank also offer solutions aimed at optimizing business efficiency, to further enhance customer experience and support sustainable business development. The Bank has developed online channels for international business services, which includes credit products for import and export on Krungthai Trade Online, and International Remittance Products available through the Krungthai BUSINESS channel, aligning with our strategic plan.

In 2023, Krungthai Bank prioritized the development and expansion of its international business products and services. This initiative aimed to expand the customer base and increase market share. The main factors that determine the direction of product and service development was an in-depth understanding of the evolving needs of importers and exporters, influenced by the dynamic global economy. A significant focus was placed on penetrating the market of The Eastern Economic Corridor (EEC) Project customer group, which is a key strategy for upgrading the country's competitiveness. Additionally, the Bank strengthened customer services linked with its

overseas branches, ensuring comprehensive support for its customers' business partners. This includes facilitating all stages of import and export transactions, from initiation to payment and collection processes. To further enhance its competitive, the Bank has been leveraging appropriate technology to improve the user experience. One such innovation is the adoption of Optical Character Recognition (OCR) technology. This technology aids in accurate data reading, minimizing errors, and ensuring transactions are convenient, rapid, and reliable, which aims to boost customer confidence in using the Bank's systems.

1. International Remittance Services:

The Bank has developed international remittance with international service standards so that customers can solely perform international remittance transactions through Krungthai BUSINESS and Krungthai Corporate Online Digital Channels, as well as branch channels nationwide. The Bank has also developed Digital Outward Remittance Solutions for business customers, in collaboration with Alternative Fintech Partner which has advanced technology in the financial industry. The goal is to boost potential and create better experiences for every transaction to be convenient, fast, and verifiable, and ensure self-tracking of the status via online channels day and night. The Bank has also communicated with the business target group market under the name of "Krungthai BUSINESS WARP" to build awareness of digital change of Krungthai Bank to fulfill every business sector and develop the services to increase easiness for the customers to ensure self-management of Foreign Currency Deposit (FCD) Account via the Bank's online channels.

In collaboration with Swift, Krungthai Bank has developed a Payment Pre-Validation Service using API Technology to validate and advise the filling of international remittance data on the Krungthai BUSINESS System. It includes features like Account Number Format Validation, Account Number Status Verification, and Payment Validation. These features ensure the accuracy and completeness of remittance data, tailored to the specific conditions of each country, which reduces the likelihood of transaction errors and supports Local Currency Payment in international trade. In 2023, the Central Bank of Myanmar has permitted direct payment between Thai Baht (THB) currency and Myanmar Kyat (MMK) currency to promote the mutual border trade. Therefore, the Bank has signed the cooperation with UAB Bank on direct international payment service for goods payment with Thai Baht currency, causing the business partners of both countries to ensure the determination and payment of (or collection) the goods or service payment in Thai Baht. This increases the easiness of international business operations.

2. Export and Import Services:

In 2023, the Bank added the "Krungthai Trade Online" Digital Channel to ensure the support expansion of the constantly changing business based on the consumer needs to perform the Trade Finance transactions covering main products both in import and export aspects without the need of submission of original documents to the Bank, ability to preset the list of transactions, and track

the transaction status at every step whether performing the transactions via any channel of the Bank, generate reports showcasing their financial management efficiency, as well as provision of International Guarantee and Standby Letter of Credit issuance services.

The Bank has developed the cash management project/products and services to support the government projects, and fulfills the needs of the private customer group as follows:

PromptBIZ Project, Smart Financial and Payment Infrastructure for Business Sector

Krungthai Bank, as one of the pioneering banks, has launched the PromptBIZ service on the Krungthai BUSINESS Digital Platform to assist business operators in both the government and private sectors by offering an integrated and one-stop solution for managing trade documents. The PromptBIZ service has transitioned trade documentation from traditional paper formats to fully digital processes. This includes digital billing, bill placement, verification of transaction accuracy, payment processing through the platform, and the preparation of electronic tax invoices and electronic receipt notes, also the feature is the automated withholding and delivery of withholding tax transactions, eliminating the need for issuing paper-based 50 Bis forms to business partners. Furthermore, the platform supports both in-house and cross-bank billing and bill placement services for business partners. Additionally, the business partners particularly SMEs entrepreneurs in Ecosystem can also conveniently access the source of funds with Invoice Financing Services.

In 2023, Krungthai Bank initiated a pilot of the PromptBIZ Service in partnership with the Digital Government Development Agency (DGA) and business partner companies. This collaboration marked a significant step forward, with leading companies beginning to adopt the service, recognizing its potential benefits of the PromptBIZ Project, which is designed to streamline processes for business partners by reducing the need for document submissions, minimizing errors, cutting down on paper use, and lowering operational costs. These improvements are particularly advantageous for small and medium-sized businesses, providing them with the tools and efficiencies needed for sustainable growth.

Krungthai Bank, in collaboration with the Bank of Thailand and other member banks, is committed to expanding the capabilities of the PromptBIZ Service. The next phase of this expansion involves integrating Track 1: Trade and Payment Service with Track 2: Digital Supply Chain Finance, creating a unified central system. The Krungthai BUSINESS Digital Platform will continue to serve as the primary platform for the Bank, facilitating trade document exchange, payment processing, and providing access to financial services for our corporate customers.

Digital Supply Chain Financing Project

Krungthai Bank provides specialized services through the 'Krungthai Digital Supply Chain Financing' Project, designed to facilitate easy access to funding for customers involved in buying and selling products with sponsors. This project considers

the purchase-sale data between customers and sponsors for credit approval. It particularly targets sSME and Microfinance customer groups, as well as medium and large SMEs. Under this scheme, credit granting is categorized into two main types:

1. Invoice Financing Credit: for Supplier who is the vendor of products for a Sponsor who participates in the Project with the Bank.
2. Dealer Financing Credit: for the Buyer who is the purchaser of products from a Sponsor who participates in the Project with the Bank.

This approach allows the Bank to offer a comprehensive solution for Supply Chain Financing that doesn't require collateral and comes with competitive interest rates. Moreover, customers benefit from the convenience of using the Bank's electronic channel, the Krungthai BUSINESS System, enabling them to carry out transactions for applying for both Invoice Financing Credit and Dealer Financing Credit easily through a web portal or mobile phone.

Krungthai BUSINESS Project

The Bank gives prioritized to constantly innovating on the Krungthai BUSINESS Digital Platform to support a variety of financial service models that cater to businesses of all sizes by rooted in a deep understanding of the real needs of the business customers and their operational cycles along the supply chain. The Bank aims to integrate SME customers into the Digital Economy, supporting their sustainable growth in the digital age. This involves creating linkages between SME entrepreneurs and larger corporate clients, including government sector services, under the 'Digital Ecosystem' concept. In 2023, significant developments were made with the Krungthai BUSINESS Service, establishing it as the main channel for electronic trade document exchanges between buyers and sellers via Krungthai eIPP Service, which has been fully operational for billing and bill placement within Krungthai Bank (eIPP Close-Loop), and cross-bank billing and bill placement service (eIPP PromptBIZ), starting from the third quarter of 2023. Furthermore, the Bank has focused on expanding its SME customer base by offering 'Total Business Solutions' through the Krungthai BUSINESS Digital Platform. This includes three new packages: 'Basic', 'SME Plus', and 'SME Super Smart'. These packages are designed to streamline cash management for businesses, offering ease, completeness, and a one-stop solution in a single application.

National Digital Trade Platform (NDTP) Project

The Bank has been involved as one of the first steps to the success of the National Digital Trade Platform (NDTP), which is the Project driven by The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB), namely The Board of Trade of Thailand, The Federation of Thai Industries, and The Thai Bankers' Association. The purpose of such a Platform is to enhance the operation efficiency of the exporters, importers, and other related parties to ensure easy, convenient, and faster exports and imports, help prevention from performing wrongful transactions or redundant

transactions, and help increase the opportunity of the domestic sSMEs or SMEs entrepreneurs to access the source of funds for trade.

NDTP has been successful in completing the platform development and the test of the Proof-of-Concept (POC)/Pilot Live Program in Phase 1 accompanied by the TradeWaltz Platform of Japan and Networked Trade Platform (NTP) of Singapore in October 2022. The scope includes the use of electronic trade documents according to UNCEFACT Standards for electronic purchase orders, electronic invoices, electronic packing lists, and other documents that are still in images. In Phase 1, POC also includes verification of the correctness of the documents received by the Bank to grant credits by linking between NDTP and Trade Document Registry (TDR), which is the platform started for use since 2022 for the Bank that grants the credits to international trade businesses to verify the double financing application. Not only the foregoing, the said project has also been continuously implemented. In 2023, the Bank participated in the extension of the NDTP Platform toward the development of the PromptTrade Platform, which is the development of the International Trade Digitization System in extension from Trade Document Registry in the area of the Bank's services, which is the project driven by The Thai Bankers' Association.

Customs Trader Portal Scheme

The Bank, in collaboration with the Customs Department, has been steadily implementing technology and innovation. This initiative aligns with the government sector and the Ministry of Finance's efforts to enhance operational efficiency and facilitate easier public access to government services. It's part of the X2G2X strategy, which includes developing the Customs Trader Portal service. This service aims to simplify processes for importers, exporters, customshouse brokers, and customs clearance operators, allowing them to register or renew with the Customs Department at any time and from anywhere. Since the third quarter of 2023, the registration system has been expanded to more comprehensively support the group of import-export entrepreneurs who have previously interacted with the Customs Department and those currently under usage suspension. These users can now register for a new login, update their account data, and revise bank account information for tax payments or duty drawbacks. The system also accommodates the registration of new customshouse brokers as juristic persons. Entrepreneurs can perform e-KYC through the Pao Tang Application. At present, over 20,000 entrepreneurs, both individuals and juristic persons, have registered through the Customs Trader Portal service since its inception. The Bank continues to focus on developing financial technologies and innovations to enhance service offerings for all business groups. The aim is to improve the efficiency of importers and exporters, making their operations more flexible. This includes facilitating one-stop online transactions and seamlessly connecting government agency services for better utilization by individuals and business entities.

Krungthai Digital Health Platform Scheme

In 2023, the Bank has steadfastly focused on developing the Healthcare Ecosystem, upgrading, and enhancing the efficiency of Thailand's public health system, contributing to healthier lives for the population. The Bank has integrated digital technology and innovations across more than 4,000 drugstores, encompassing over 10,000 service units and hospitals nationwide. This integration facilitates easy e-KYC processes, allowing individuals to access Health Promotion and Disease Prevention Privileges tailored to their age group. These privileges include services such as influenza vaccines, birth control pills, condoms, etc. Furthermore, the Bank has utilized this technology to authenticate service usage in telemedicine. In collaboration with the Medical Council of Thailand, the Bank developed the MD eConnect Application. This app streamlines the linkage of essential physician data on a digital platform, enabling accessibility at any time and from any location, aligning with new lifestyle trends. The Bank has also aimed to advancing the Digital e-Payment mission by adopting financial innovations as key mechanisms to assist the business sector in enhancing financial management efficiency, creating sustainable operations, and developing digital financial channels that meet public needs. This approach aims to reduce the gap in accessing health services and other services. The Bank's strategy is to foster sustainable growth and responsible business operations that consider Environmental, Social, and Governance (ESG) factors. This aligns with the Sustainable Development Goals (SDGs), focusing on establishing well-being security by connecting government sector activities with people, hospitals, medical facilities, and their business partners. The Bank's commitment extends to reaching all segments of the population through various sub-schemes as follows:

1. **Smart Hospital Scheme** links the integrated services in health and financial management covering the hospital activities through 3 backbones as follows:

Smart Services to enhance people's access to advanced healthcare, offering convenience and speed in receiving services. People can independently access health privileges and confirm the utilization of these privileges, including the payment of expenses beyond the privileges, through the Health Wallet feature on the Pao Tang Application. This includes direct disbursement of medical treatment welfare for government officers. In collaboration with the Comptroller General's Department, the Bank is working to expand system connectivity with medical facilities that accept direct disbursement for medical treatment welfare. In 2023, this network was extended to include 30 additional hospitals. Furthermore, in partnership with the National Health Security Office (NHSO), the Bank facilitates the direct disbursement of national health security privileges (Medical Golden Card Privilege) through the Health Wallet on the Pao Tang Application. This effort aims to enhance services for individuals eligible under the National Health Security

Office. Currently, 47.73 million people have linked their data through the Health Wallet on the Pao Tang Application. This enables them to view their doctor appointment schedules, confirm the use of their health privileges, and manage the payment of medical treatment expenses that exceed their privileges.

Smart People The Bank has developed an HRMS (Human Resource Management System) to enhance the efficiency of managing personnel data. This system is comprised of four main modules: Payroll Management System, Employee Record Registration System (Employee Management), Time Attendance Record System, and Employee Self Service. These modules are interconnected through real-time cloud technology. This integration significantly aids hospitals in achieving more convenient, transparent, and verifiable management of remuneration. The system can be accessed both through a dedicated application and the hospitals' websites, available around the clock.

Smart Partner enhances the potential of the entrepreneurs who are the smart partners of the hospitals and increases the easiness for the smart partners of the hospitals with working capital limits suitable for the requirement of the entrepreneurs' business operations through Digital Supply Chain Financing Platform. This initiative greatly enhances entrepreneurs' opportunities to access funding sources and reduces the burden associated with preparing loan application documents. By doing so, Smart Partner ensures that these entrepreneurs can maintain continuous business operations and achieve sustainable growth.

2. **Health Promotion and Disease Prevention Privilege (P&P) Scheme.** The Bank, in partnership with the National Health Security Office (NHSO), works to broaden the scope of health promotion and disease prevention (P&P) services in Thailand. This collaboration focuses on making these services a primary access point for basic welfare and health privileges, enhancing the quality of life, and reducing household health expenses. The expanded services include the distribution of condoms, HPV testing kits, birth control pills for women and children of all ages, and influenza vaccines for people in seven risk groups. The service users can make appointments and check the date of service usage by notification from Health Wallet on the Pao Tang Application.

3. **MD eConnect Scheme.** The Bank, in collaboration with the Medical Council of Thailand, has developed the MD eConnect Application, which upgrades medical services for approximately 70,000 members under the Medical Council of Thailand's care. It achieves this by linking the Medical Council's database with services available to member physicians. Features include the ability to apply and pay for MD Card issuance, register for studies and examinations, check exam scores in the Continuing Medical Education (CME) System, participate in voting for Medical Council elections, and use a Virtual ID Card (Digital MD Card). This platform also serves as an authentication tool for physicians to

access patient data through the Health Information Exchange (HIE) System, where physicians can quickly access treatment data by scanning a QR Code, eliminating the need for manual login. This facilitates efficient treatment and is especially useful when patients require care at different hospitals. Moreover, the Bank and the Medical Council of Thailand plan to further expand this platform to link the MD Digital ID with medical systems, including telemedicine services. This will assure patients of secure and reliable treatment and enable the issuance of digital medical certificates by service units. Such certificates will be useful for electronic transactions like applying for or renewing driving licenses. These developments are part of a strategy to strengthen the Bank's healthcare ecosystem and advance the sustainability of Thailand's public health system.

Significant Projects of Mass Transit System

In 2023, the Bank has extended and implemented the Projects in collaboration with government sector and private sector as follows:

1. Developing EMV Contactless Fare Payment System

using credit cards of every bank, debit cards of Krungthai Bank and UOB Bank for 20 Baht electric train services throughout the line in October for Rapid Transit Chalong Ratchadham Line-Purple Line (Bang Yai-Tao Pun-Ratburana) and Red Line Mass Transit (Rangsit-Bang Sue-Taling Chan) and in November for 20 Baht electric train services upon joint travels of all 20 lines.

Additionally, the Bank has uploaded the EMV Contactless Fare Payment System of Metropolitan Rapid Transit-Yellow Line (Lat Phrao-Sri Nakharin-Samrong) which has been tested for opening the services in the type of non-fare collection in June and fully operated, collected fares, in July, as well as of Metropolitan Rapid Transit-Pink Line (Khao Rai-Chaeng Watthana-Ram Intra-Minburi) which has been tested for opening the services in type of non-fare collection in November and fully operated, and commenced to collect fares in December.

2. Developing entry fee discount system across rapid transit lines upon fare payment via EMV Contactless System between Metropolitan Rapid Transit-Yellow Line (Lat Phrao-Sri Nakharin-Samrong) and Rapid Transit Chaleom Ratchamongkon Line-Blue Line (Lak Song-Tha Phra-Hua Lamphong-Bang Sue)

3. Adjustment of Electronic Data Capture (EDC) for toll collection with EMV Contactless System allows the use of credit and debit cards from all banks for toll payments, more suitable for outdoor use, particularly on the Si Rat Expressway (including Section AB, Section C, and Section D), the Prachin Rattaya Expressway (Si Rat-Outer Ring Road Expressway Line), and the Udon Rattaya Expressway (Bang Pa-in-Pak Kret).

4. Fare Collection Service with State Welfare Card for Red Line Mass Transit (Rangsit-Bang Sue-Taling Chan)

5. Card Issuance and Development Service for Fare Collection System with Package Card for Transit Pass Red Line BKK x BMTA

Max Point Pay Project

The Bank has continuously expanded its Point Pay Service Project. A recent development in this initiative is the collaboration with Max Solution Service Co., Ltd., a subsidiary of PTG, focuses on upgrading the Max Me Wallet, enabling the redemption of PT membership points for cash. Members can now convert their points at the rate of 1 Baht for every 10 points, which can be used for purchasing goods at Thung-Ngern Shops nationwide. Currently, the Max Card membership base has grown to 21 million members, with 750,000 total downloads of the application, and an active account of around 500,000. This collaboration between Thung Ngern and Max Me Wallet represents a strategic integration of both platforms' strengths to maximize benefits for both the shops and their members.

1.2.2.7 Global Market Services

Global Market Products

The Bank offers a range of investment and financial risk management consulting services. These include an investment in government, corporate bonds and investment products, and derivative transactions linked to various market variables, i.e. interest rates, exchange rates, bond prices, equity instrument prices, commodity prices, structured notes, and credit derivative transactions services. As a market leader in innovative services and products, the Bank caters to four main customer groups: large corporations and SMEs, government agencies and state enterprises, financial institutions, and large retail customers. Prior to sale, each transaction undergoes a thorough analysis of client suitability and appropriateness to ensure customers understand the transaction and associated risks. The transactions are in compliance with the regulations of the Bank of Thailand (BOT) and the Office of the Securities and Exchange Commission (SEC), with a focus on enhancing online service ease, such as Krungthai Smart FX for hedging exchange rate risks, etc.

Investment Banking and Debt Instrument Business Products

The Bank provides investment banking and debt instrument business services, including financial consulting to add value to entities, assistance with fundraising and credit rating, as well as providing strategic plans tailored to the competitive industry environment, interest trends, exchange rates, and overall economic conditions. Fundraising services in the debt and equity capital markets are categorized into three types: arranging and underwriting, financial advising, and acting as a selling agent of securities through both the branch network and online systems.

In addition, the Bank provides government saving bonds and private debentures through the 'Pao Tang' Application in a digital wallet format. This enhances the ability to manage these financial instruments efficiently and reduces investment restrictions for investors. In 2023, the Bank was entrusted with the underwriting of government savings bonds and private debentures in digital wallet form from numerous leading companies, totaling over 97 billion Baht.

Depository Receipt Business Product

The Bank has taken an integrated approach in developing its savings and investment products. In 2022, it became the first bank in Thailand to offer Depository Receipts (DRs) referencing foreign common stocks, facilitating easier access to foreign investment opportunities through Stock Exchange of Thailand. This investment process is simpler and less expenditure than direct foreign securities trading by investors. Furthermore, in collaboration with the Stock Exchange of Thailand, the Bank has become the first issuer of Fractional Depository Receipts, enabling investors to trade DRs concurrently with foreign stock exchanges. The Bank also serves as a market maker for its issued DRs.

The Bank has already issued 12 DRs, namely, the DR of Alibaba Group Holding Limited (BABA80), Baidu Inc. (BIDU80), BYD Company Limited (BYDCOM80), Netease Inc. (NETEASE 80), Ping An Insurance (Group) Company of China Ltd. (PINGAN80), Tencent Holdings Limited (TENCENT80), XIAOMI Corporation (XIAOMI80), APPLE Inc. (AAPL80X), Alphabet Inc. (GOOG90X), Microsoft Corporation (MSFT80X), NVIDIA Corporation (NVDA80X), and TESLA Inc (TSLA80X), with total market value as of December 31, 2023 for 4,311 million Baht.

1.2.2.8 Krungthai Card PCL

Krungthai Card PCL (KTC) is a leader in credit card and related businesses, encompassing merchant and payment services, personal loans, and vehicle title loans, as well as Designated Payment Service Business through KTC Prepaid Co., Ltd. KTC prioritizes the 'KTC P BERM Car for Cash,' offering both car and motorcycle title loans. This loan aims to expand the secured loan business, using vehicle registration as collateral, leveraging KTC's main channels and expanding its membership base. This is achieved through coordinated communication with Krungthai Bank channels, maximizing benefits for both organizations in their pursuit of sustainable growth and leadership in the integrated consumer finance business.

1.2.2.9 Krungthai Asset Management PCL

Krungthai Asset Management PCL, a leading asset management company in the country, manages various types of funds, including mutual funds, provident funds, private funds, and infrastructure/REIT/real estate funds. These are accessible through Krungthai Bank's branches and the Krungthai NEXT Application, with Krungthai Bank acting as the sponsor for the sale and redemption of all investment units. The company is committed to offering a diverse range of investment products that meet investor needs and adapt to changing investment situations by strictly adherence to good governance, with a primary focus on maximizing investor benefits.

1.2.2.10 Krungthai-AXA Life Insurance PCL

Krungthai-AXA Life Insurance PCL, a joint venture with the global life insurance leader AXA Group, offers a variety of life insurance plans through Krungthai Bank's channels. These include whole life insurance, health and critical illness insurance, endowment insurance, retirement insurance, and unit-linked insurance. Furthermore, the company caters to customers seeking tax deductions with short-term endowment life insurance services, available through the Krungthai NEXT channel. This allows customers to easily purchase life insurance products by themselves.

1.2.2.11 Krungthai Panich Insurance PCL

Krungthai Panich Insurance PCL offers a comprehensive range of non-life insurance services, including fire and property insurance, car insurance, health insurance, travel insurance, and personal accident insurance. The company also provides specialized insurance products for small, medium, and large-sized businesses,

covering both loss and damage to property. Customers have the flexibility to purchase various insurance products by themselves, such as car, accident, health, and travel insurance, through the Krungthai NEXT Application, offering greater convenience alongside traditional branch channels of the Bank and the company.

1.2.2.12 Krungthai XSpring Securities Co.,Ltd.

Krungthai XSpring Securities Co., Ltd. offers a wide range of financial services, including securities brokerage, derivatives agency, securities borrowing and lending, securities investment, trading and underwriting, financial advising, foreign securities trading, issuance and sale of derivative warrants and derivative securities, wealth advisory, and private fund management. The company also acts as a unit trust agent for both Thai and foreign investors, catering to institutional and retail clients.

In 2022, Krungthai XSpring Securities Co., Ltd. has provided additional services to Krungthai Bank's customers by integrating stock and derivative information from the Stock Exchange of Thailand into customer portfolios on the Krungthai NEXT channel. Furthermore, in 2023, Krungthai Bank's customers can open online investment accounts with Krungthai XSpring Securities Co., Ltd. through the Krungthai NEXT channel up to four types of accounts: Cash Balance Account, T+2 Cash Account, Thailand Futures Exchange (TFEX) Account, and Foreign Securities Account.

1.2.3 Market and Competition

Market and Competition Conditions and Business Trends

In 2023, the commercial banks (CB) faced challenges from the slow recovery of the Thai economy due to the export sector and manufacturing sector of industrial products which were affected by the deceleration of the global economy, especially the Chinese economy that confronted with the problems of real estate sector, continually resulting in a decrease in the number of inbound Chinese tourists for traveling in Thailand below expectation. Additionally, spending and investment of the government sector have been stagnant while the household sector has encountered pressure from a high level of household debt situation and cost of living, as well as risk issues from the fluctuation of the global monetary system among more severe geopolitics problems and transformation towards a high-interest age after the central bank of the major economic countries have continually accelerated the policy interest rate. Similarly, the Bank of Thailand (BOT) has responded to the economic situation by increasing the policy interest rate five times, totalling a 1.25%, bringing it to a level of 2.5% according to the guidelines for normalization monetary policy. Additionally, the BOT raised the contribution rate for financial institutions to the Financial Institutions Development Fund (FIDF) back to a neutral level of 0.46% per annum starting from January 2023. This rate had been previously reduced to 0.23% per annum during the COVID-19 pandemic. Faced with such economic conditions, commercial banks have continuously focused on assisting vulnerable debtors, primarily through immediate debt restructuring. They have also been prudent in their credit expansion and debt risk management, along with suitably increasing interest rates and deposit rates to align with market conditions.

The operations of commercial banks in Thailand are now guided by the Bank of Thailand's (BOT) new financial landscape framework, which encompasses three key dimensions. The first dimension focuses on the creation of innovation using technology and data (Digital). This is guided by the principles of Open

Competition, Open Infrastructure, and Open Data. A notable initiative in 2023 was the BOT's establishment of guidelines for licensing Virtual Banks. **The second dimension emphasizes economic support for sustainability (Sustainable).** In this regard, the BOT has introduced the Thailand Taxonomy Standards and has been promoting financial services and products that facilitate business adaptation and reduce environmentally harmful activities. This dimension also includes guidelines for sustainably resolving household debt issues. The Thai Bankers' Association has contributed by developing an Industry Handbook that aligns financial institution operations with environmental and climate change concerns, in line with BOT guidelines. **The third dimension focuses on resilient governance to address emerging risks (Resilience),** particularly the increasing trend of IT or cyber risks.

However, the overall operation of the commercial bank system in 2023 can be summarized as follows:

- **Loans to debtors and net accrued interest receivables** experienced a slight reduction, marked at 0.36%, compared to a growth of 2.09% in the previous year, mainly due to the gradual repayment of debts by the business sector, following a period of aggressive liquidity expansion during the COVID-19 pandemic of large corporate businesses and SMEs businesses. Meanwhile, retail loans have shown a trend of slowed expansion.
- **Total Deposits** increased by 0.81%, compared to expansion by 4.53% last year, mainly due to an increase in deposits while a decrease in Current Account and Saving Account (CASA).
- **Net Profit** continuously expanded by 5.84% from an increase of 31.25% in the previous year, mainly due to an increase in interest income despite an increase in finance cost based on an increase in deposit interest and recovery of FIDF Fee to a neutral level, including an increase in operating expenses and provision expenses.
- **Non-Performing Loans (NPLs)** decreased by 1.28% from the previous year's decrease of 5.94% while NPLs/Loan ratio decreased to 2.66% from the previous year at 2.72% since CBs have managed credit quality and provided continuous assistance to debtors.
- **Total Capital** increased by 3.54%, causing the total capital ratio to be at a strong level at 20.12%, which was still much higher than the minimum threshold set by the BOT.

Business Condition Trend and Competition Trend of Commercial Banks in 2024

In 2024, commercial banks in Thailand continue to face challenges, despite expectations of an economic upturn largely driven by the recovery of the tourism sector to pre-COVID levels. However, several domestic and international risk factors could impact the future growth of both the Thai and global economies. Notably, the economic growth in the USA and Europe is slowing down, primarily due to high-interest rate conditions. Additionally, the Chinese economy is growing at a considerably slower pace than before, influenced by ongoing issues in its real estate sector, which could affect global trade and Thailand's export sector. Geopolitical conflicts and uncertainties, including the potential for Economic Decoupling between the USA and China, are expected to intensify. This situation could be further complicated by the 2024 presidential elections in the USA, Russia, and Taiwan. Furthermore, the Federal Reserve (Fed)'s shift in monetary policy from maintaining high interest rates to initiating interest rate reductions may lead to fluctuations in

the global economy and financial markets. Domestically, the Thai economy is grappling with high levels of household and business sector debt, which become more pressing in a high-interest rate environment. The enforcement of the Bank of Thailand's (BOT) responsible lending criteria, effective from 1 January 2024, focuses on preventing over-indebtedness and may limit access to formal credit from commercial banks. Additionally, the business sector faces challenges in adapting to stricter global trade regulations related to environmental issues, such as Carbon Border Adjustment Mechanism (CBAM) measures and the transition to a Low Carbon Society. Keeping pace with technological advancements, particularly in Artificial Intelligence (AI), will also be crucial as these developments alter traditional working and business operations. These varied factors are likely to influence commercial banks' strategies in terms of credit expansion, competition for deposit acquisition, Non-Performing Loan risk management, support for vulnerable debtors, and the balance of setting aside reserves for expected credit loss.

Furthermore, there are other factors set to reshape the Thai financial landscape and the operational approach of commercial banks. In the digital realm, the Bank of Thailand (BOT) has introduced guidelines for Open Data for Consumer Empowerment, following a public hearing conducted at the end of 2023. In response, commercial banks are advancing their services through digital channels, incorporating technology, particularly AI, to enhance operational efficiency and better meet customer needs. In terms of sustainability, the BOT plans to work closely with commercial banks to develop Transition Plans. These plans will involve setting targets for industries aimed at reducing greenhouse gas emissions and integrating these goals into the banks' missions. This initiative is a significant step towards fostering Sustainable Banking in Thailand's banking sector.

Competitiveness of the Bank

Krungthai Bank is a large commercial bank with competitiveness at the leading level of Thailand's commercial bank system. The key strengths that support the Bank's competitiveness are as follows:

- **Strong Relationships with Government and State Enterprises:** Krungthai Bank has established a solid relationship with government agencies, state enterprises, and personnel in the government sector. The bank plays a crucial role in the efficient implementation of government policies. A notable achievement is its contribution to establishing electronic payment systems throughout Thailand, which is a significant step towards creating a cashless society. Krungthai Bank collaborates with various agencies to enhance the living standards of Thai people. This is evidenced through initiatives like the "Pao Tang" Application, Thailand's Open Digital Platform. In 2023, the bank implemented several key programs, including the "Rao Tiew Duay Kan" (We Travel Together) scheme - Phase 5, the "Om Ploen" (Enjoyful Saving) service promoting retirement savings for informal workers, and the "Digital Lottery" service, which provides access to lotteries at 80 baht, a standard price and expands retail distribution channels across the nation. Krungthai Bank has developed a Health Wallet, improving access to health services for individuals. The bank has also embraced blockchain technology to enhance the efficiency of government projects, such as the VAT Refund for Tourists (VRT) scheme. The expansion in the bank's customer base and business partners in the government sector has enabled Krungthai Bank to

further extend its business and support through the X2G2X strategy, leveraging these relationships for mutual growth and development.

- **Various platforms, products, and services to fully support the step towards digital banking:** According to the Bank's implementation of 2-Banking Models as a strategy to drive the Bank, the Bank can step towards leadership in the digital banking system. This was reflected from the number of users in the Bank's Digital Platform in 2023, for instance, over 17 million users of Krungthai NEXT, over 40 million users of the Pao Tang Application, 2 million merchants of the Thung Ngern Application, and 18 million users of Krungthai CONNEXT. Additionally, the Bank is committed to continually developing digital products and services that have received good feedback, for instance, investment in digital bonds and comprehensive online gold investment services through Gold Wallet. This includes the collaboration with Infinitas by Krungthai Co., Ltd. to develop "Paotang Pay" as a super wallet for Thai people and increase the potential of the digital payment application, namely the Pao Tang Application, to be more comprehensive. Moreover, new features are developed on the Krungthai NEXT Application, such as "NEXT INVEST" and real-time trading service of private debentures and government bonds of the secondary market through the "Money Connect" service to upgrade the investment through the digital channel.

- **Strong capital to support growth:** As of 31 December 2023, the Bank had a 20.71% of capital adequacy ratio (the Bank's financial business group), of which 17.62% was Tier 1 capital, which is higher than the minimum requirement set by the Bank of Thailand, reflecting the strength of the Bank's capital status that will be able to support business expansion as well as risks that may arise from changes in the economy, society, and set of official regulations.

- **Being a commercial bank with a strong trademark:**

Krungthai Bank is a large commercial bank that has served customers and Thai people for more than 50 years. It is one of the top banks that the service users think of, and has ever been recognized for its ability to use trademarks in efficient social media marketing activities.

- **Continuous organizational improvement and development:** This ensures that the Bank can keep pace with rapidly changing business environments, for instance, more internal process improvement using AI Technology and Robotic Process Automation (RPA), and the development of innovative products and services that fulfill customer needs. The Bank also has a clear digital banking development roadmap that continuously covers the integration of innovations, for instance, the establishment of Infinitas by Krungthai Co., Ltd. and the collaboration with Accenture to establish a joint venture company "Arise by Infinitas Co., Ltd." to create digital talents to support digital businesses, including cooperating with IBM to establish a joint venture "IBM Digital Talent for Business" to aim at empowering and developing personnel development, upgrading the technological infrastructure to be equivalent to various nations, including developing the information technology system of the Bank to be more stable and secure to ensure the support on new emerging and additional transactions in the future. Additionally, the Bank has also focused on operations that give importance to the Environmental, Social, and Governance (ESG) dimension, and applying the framework of Sustainable Development Goals (SDGs) in an operating process to strengthen the organization toward a sustainable bank, partly reflecting from the Bank's 2023 SET ESG Ratings Assessment at "AAA" level which is the highest level by the Stock Exchange of Thailand.

Asset, Loan, Deposit and Branch

of Commercial banks registered in Thailand as of December 31, 2023

Bank	Asset		Loan (Net)		Deposit		Domestic Branch	
	Amount (M.TH.B)	Market Share (%)	Amount (M.TH.B)	Market Share (%)	Amount (M.TH.B)	Market Share (%)	Amount (M.TH.B)	Market Share (%)
1.Bangkok Bank	3,930,606	16.44	2,067,703	14.22	2,699,888	15.97	882	16.07
2.Krungthai Bank	3,580,671	14.98	2,336,699	16.07	2,654,751	15.70	966	17.60
3.Kasikorn Bank	3,551,348	14.86	2,246,758	15.45	2,671,734	15.80	814	14.83
4.Siam Commercial Bank	3,280,416	13.72	2,203,055	15.15	2,452,078	14.51	729	13.28
5.Bank of Ayudhya	2,524,871	10.56	1,701,805	11.70	1,815,719	10.74	604	11.01
6.TMB Thanachart Bank	1,815,190	7.59	1,270,224	8.73	1,387,961	8.21	532	9.69
Total of DSIBs	18,683,102	78.15	11,826,244	81.32	13,682,131	80.93	4,527	82.48
Total of Non-DSIBs (11 Banks)	3,284,720	13.74	2,074,902	14.26	2,222,262	13.15	947	17.25
Total Offshore Branches	1,937,738	8.11	642,240	4.42	1,000,968	5.92	15	0.27
Grand Total	23,905,560	100.00	14,543,386	100.00	16,905,361	100.00	5,489	100.00

Source: C.B. 1.1, Bank of Thailand

Notes:

- The BOT peer group criteria of commercial banks are as follows:
 - DSIBs (Domestic Systemically Important Banks) include Thai Commercial Banks with market share of total assets of 10% (excluding subsidiaries of foreign banks)
 - Non-DSIBs include Thai Commercial Banks with a market share of total assets of less than 10%.
- Loan data (net) means loans to customers and net accrued interest receivables.
- Domestic branch data include headquarters, service points and off-site banking services for more than 30 days.

Awards and Recognitions

The awards received by the Bank in 2023 for 67 awards consist of 30 International Awards and 37 National Awards

30 International Awards

1. [Best CSR Bank Thailand 2023](#)
2. [Banking CEO of the Year Thailand 2023](#)

The Bank was honored by Global Banking & Finance Review Magazine, based in the United Kingdom, for its implementation of financial technology within the ESG (Environmental, Social, and Governance) conceptual framework. This award recognizes the Bank's efforts in advancing sustainable finance by integrating economic, social, and environmental concepts, particularly in green financing. Additionally, the Bank was commended for facilitating community access to financial literacy. The CEO was also recognized for visionary leadership, outstanding management strategies, and the commitment to position 'Krungthai' as a leading commercial bank in the country, developing products and services that meet consumer needs and supporting Thai people and society during every crisis.

3. [Best Sustainability - Linked Bond](#)

The Bank was honored with an award from The Asset Magazine, based in Hong Kong, as a testament to its commitment to environmental, social, and governance (ESG) concerns. This award is granted to financial institutions that serve as a selling agent for Sustainability-Linked Bonds.

4. [Most Sustainable Bank Thailand 2023](#)
5. [Banking CEO of the Year Thailand 2023](#)

The Bank was recognized by World Business Star Magazine, based in the United Kingdom, for its operation under the vision of 'Growing Together for Sustainability.' This award acknowledges the Bank's technology investment-focused strategy, which aims to develop innovative services that enhance the quality of life for Thai people and communities through transparent operations. Additionally, the CEO was commended for visionary leadership and the implementation of management strategies that position the Bank as an outstanding commercial leader in the country, dedicated to developing products and services that meet to consumer needs.

6. [Best CSR Bank Thailand 2023](#)

The Bank was awarded by Global Business Review Magazine, based in the United Arab Emirates, for its application of financial technology within the ESG (Environmental, Social, and Governance) framework. This award recognizes the Bank's focus on environmental issues, advancement in sustainable finance by integrating economic, social, and environmental concepts, especially in green financing, and efforts to enhance community access to financial literacy.

7. [Best CSR Bank Thailand 2023](#)
8. [Excellence in Customer Service \(Banking\) - Thailand 2023](#)

The Bank was awarded by The Global Economics Magazine, based in the United Kingdom, for its implementation of financial technology within the ESG (Environmental, Social, and Governance) framework, with a particular emphasis on environmental issues and the advancement of sustainable finance. This recognition also stems from the Bank's successful 'WE CARE' service, developed to enhance customer experiences at bank branches. 'WE CARE' involves actively listening to customer feedback from branch visits to ensure prompt problem resolution, inspiring better customer experiences. This approach has led to increased customer satisfaction, elevated service levels at branches, and more effectively met customer needs. There have been over 500,000 WE CARE customers who participated in opinions and suggestions. The finding revealed that 99.7% were satisfied with the branch service, and the Bank could reduce complaints by more than 28% in 2022.

9. [Best Social Impact Bank Thailand 2023](#)

The Bank was awarded by Capital Finance International (CFI) Magazine, based in the United Kingdom, for its significant role as a key financial institution in driving the country's economy. This recognition is for the Bank's efforts in developing financial innovations that reach all population segments and for supporting various government policies and programs, such as the 'Khon La Khrueng' (Half-Half) co-payment scheme, the State Welfare Card, and the Pao Tang Application.

10. [Most Socially Responsible Bank Thailand 2023](#)

The Bank was awarded by Global Business Outlook Magazine, based in the United Kingdom, as a leading financial organization that operates under the ESG (Environmental, Social, and Governance) conceptual framework. This award acknowledges the Bank's integration of economic, social, and environmental concepts, particularly in its approach to green financing, and its efforts to enhance community access to financial literacy.

11. Best CSR Practices Bank in Thailand 2023

The Bank was awarded by Global Brand Magazine, based in the United Kingdom, for its commitment to the environment and sustainable finance. This award recognizes the Bank's integration of economic, social, and environmental concepts and its operation within the ESG (Environmental, Social, and Governance) conceptual framework.

12. ESG Bond of the Year

The Bank was honored by the IFR ASIA Awards 2022 Magazine, based in Hong Kong, a leading financial publication in the Asia Region, for its significant role as a selling agent of Sustainability-Linked Bonds (SLB) valued at over 20,000 million Baht. This award acknowledges the Bank's commitment to conducting business with a conscious focus on Environmental, Social, and Governance (ESG) responsibilities.

13. Best Bank for ESG Thailand 2023

The Bank was awarded by Brands and Business Magazine, Singapore, in recognition of being the organization that adopts financial technology for business operations aligned with good governance within the ESG (Environmental, Social and Governance) conceptual framework, gives precedence to sustainable finance with integration of the economic, social, and environmental concepts as the main element of green financing consideration, and supports the communities to access financial literacy.

14. 2023 Asia-Pacific Sustainability Action Awards in the Field of Sustainability Action Awards

15. Global Corporate Sustainability Awards 2023 (GCSA) in the Field of Best Practice at Great Practice

The Bank was awarded by Taiwan Institute for Sustainable Energy (TAISE), Taiwan, from the "Krungthai Loves Koh Tao" scheme which aims to develop the Koh Tao community to be strong, generate careers and income to ensure self-dependence of the community as an upgrade of quality of life in the communities, and concurrently maintain the natural and environmental balance, and fulfill the Sustainable Development Goals (SDGs) of the United Nations Organization (UN)

16. 2023 Sustainability Awards in Sustainability Initiative of the Year Category

The Bank was awarded by the Business Intelligence Group, based in United States of America, for its 'Care for the World: Waste Sorting for the World' project. This initiative applies digital innovation and technology to manage waste efficiently within the Bank, focusing on integrated waste sorting and increased recycling. This approach significantly reduces the amount of waste requiring disposal and saves on disposal costs, aligning with the Circular Economy Concept. The award recognizes the Bank's commitment to extending its sustainable business practices from within the organization to the broader community and society.

17. ESG Business Awards 2023 - Waste Management Award from the Waste Management Project under Care for the World Concept

18. ESG Business Awards 2023 - Biodiversity Conservation Award from UNDP Krungthai Loves Koh Tao

ESG Business Magazine, a leading financial publication in the Asia Region, awarded the Bank for its 'Care for the World: Waste Sorting for the World' project. This initiative focuses on using digital innovation and technology for integrated waste management and recycling within the Bank, adhering to the Circular Economy Concept. Additionally, the Bank received recognition for its 'Krungthai Loves Koh Tao' scheme, which is dedicated to strengthening the Koh Tao community. This program fosters job creation and income generation, improves community living standards, and preserves the natural environment, in line with the United Nations Organization's sustainable development goals.

19. Banking CEO of the Year Thailand 2023

The Bank was awarded by Global Business & Finance Magazine, based in the United States of America, for its CEO's exceptional management vision and strategies. This recognition highlights the CEO's commitment to developing products and services that meet customer needs in the digital age, particularly through the 'Pao Tang' Application. This app plays a pivotal role in establishing the infrastructure for Thailand's digital economy and efficiently delivering assistance to the people, contributing to the sustainable improvement of the quality of life in Thailand.

20. Best Banking CEO - Mr. Payong Srivanich

21. Best Customer Service Initiative

The Bank was awarded by International Finance, based in the United Kingdom, for its leadership role in advancing society and sustainable development in Thailand. This includes efforts to address inequality, bridge the digital technology and financial services access gap, and strengthen the quality of life for all. This commitment is evidenced by the significant usage of the Bank's digital platforms, with over 40 million users on NEXT and Pao Tang Applications, 2 million stores using the Thung Nern Application, and 18 million Krungthai Connex users. Furthermore, the leadership has been taking part in driving Thailand towards a low-carbon future through the Bank's sustainable value creation strategy, demonstrating a long-term commitment to positioning Krungthai Bank as a leader in sustainable finance and fostering sustainability for both the organization and society.

22. Best Banking CEO of the Year Thailand 2023

The Bank was awarded by International Business Magazine, based in the United Arab Emirates, for its leadership in developing organizational infrastructure and preparing employees for sustainable competitiveness in the financial industry. This recognition also highlights the Bank's efforts to bridge the gap in digital technology and financial service access, and its efficient implementation of assistance programs for the public. Notable projects include the 'Rao Chana' (We Win) scheme, the 'Section 33 We Love Each Other' scheme, the 'Rao Tiew Duay Kan' (We Travel Together) scheme, and the 'Ying Chai Ying Dai' (The more you spend, the more you get) scheme. Particularly significant is the 'Khon La Khrueng' (Half-Half) co-payment scheme - phase 3, which has been instrumental in stimulating spending and generating a turnover of up to 220 billion Baht.

23. Best Banking CEO Thailand 2023 - Mr. Payong Srivanich

24. Best Banking HR Management App Thailand 2023

The Bank was awarded by World Economic Magazine, based in the United States of America, for its leadership's dedication to establishing Krungthai Bank as a market leader in organizational, social, and global sustainability. This award acknowledges the development of the ONE Krungthai Application, designed to enhance organizational management efficiency, cater to digital-age work styles, and facilitate various work areas for Krungthai employees.

25. Top Publisher Awards 2023 - in the Field of Top 20 Thailand Headquartered Finance Publisher

The Bank was awarded by Data.ai Company, based in the United States of America, for achieving the highest total application downloads in the banking sector in 2022. Its applications, including 'Krungthai NEXT' with 4.77 million downloads, 'Pao Tang' with 4.32 million downloads, and 'Thung Ngern' with 770,000 downloads, have gained widespread popularity. This success earned the Bank the 'Top Publisher Award 2023,' reflecting its effective use of technology and innovation in developing digital products and services that meet the diverse needs of all user groups.

26. Best HR Banking Application Thailand 2023 (ONE Krungthai Application - Work Place on Your Hand)

The Bank was awarded by World Business Outlook Magazine, based in Singapore, in recognition of the continuous development of ONE Krungthai Application to increase the in-house management efficiency, fulfil work styles in the digital age, and assist in facilitating the works of Krungthai employees in every area.

27. Investment in People

The Bank was awarded with the Asia Responsible Enterprise Awards 2023 (AREA), based in Malaysia, recognizing its role as a non-profit organization dedicated to promoting and developing social and environmental responsibility in Asia. This award aims to inspire and drive positive organizational change towards greater social and environmental accountability in the future.

28. Human Resources Excellence Awards 2023 - Excellence in the Use of HR Tech

The Bank was awarded by Human Resources Online Institution, based in Singapore, for developing the ONE Krungthai Application. Recognized as a 'Super App' for Krungthai employees, it facilitates various work areas through a digital system, aligns with new lifestyles, creates new experiences, and encourages employee participation in all Bank activities.

29. International Innovation Awards (IIA) 2023 - Service & Solution Category - WE CARE

The Bank was awarded by Enterprise Asia Institution for the organization with remarkable innovation in products and services from the success of the WE CARE service developed by the Bank to create better experiences for the customers at the branches of the Bank. This is a hearing of the opinions from the customers who have used the services via branches to ensure immediate problem-solving, creation of impressions, and good experiences for customers, increasing satisfaction. This is a channel through which the customers can admire the branch employees upon service satisfaction, helping the creation of morale and courage to ensure that the bank employees function with pride, upgrade of branch experiences and services, and better fulfillment of customer needs. Over 500,000 WE CARE customers participated in opinions and suggestions. The finding revealed that 99.7% were satisfied with the branch services, and the Bank could reduce complaints by more than 28% in 2022.

30. Thailand Service Experience of the Year - Banking

The Bank was awarded by The Asian Business Review Magazine, based in Singapore, for its successful implementation of the WE CARE service. Developed to enhance customer experiences at the Bank's branches, WE CARE focuses on gathering customer feedback to ensure swift problem resolution. This approach has led to increased customer satisfaction, enhanced service experiences at branches, and better fulfillment of customer needs. The 500,000 WE CARE customers participated in opinions and suggestions.

37 National Awards

31. Sustainability Disclosure Award 2023 (Sustainability Disclosure Community: SDC)

Thaipat Institute honored the Bank with the Sustainability Disclosure Award for its comprehensive and transparent disclosure of sustainability practices to stakeholders, by providing complete, accurate information about its business operations under good corporate governance and a dedication to society and environmental concerns. Additionally, the Bank's adherence to the Global Reporting Initiative (GRI) International Standards in its reporting on environmental, social, and governance aspects was acknowledged.

32. Good Governance in Outstanding Consumer Treatment Award 2023 - CPN Property Company Limited

By the Bank of Thailand in collaboration with Puey Ungphakorn Institute, Institute for Small and Medium Enterprises Development, and The Thai Bankers' Association. It is an award for admiring the SME entrepreneurs who operate businesses by adhering to good morality and ethics with every related party of stakeholders whether being business partners, customers, employees, society, and the environment. The SME customer of Krabi Business Center is CPN Property Company Limited.

33. Real Impact Award 2022 in the Field of Social Promotion from Krungthai Loves Community Project

By Real Smart Company Limited from "Growing Together for SUSTAINABILITY" vision of the Bank that the Bank requires sustainable growth at the same time in every sector of society, and the Bank has linked ESG (Environmental, Social and Governance) matters with Sustainable Development Goals (SDGs) by connecting the business operation framework to help reduce poverty problem, develop economy and quality of life, causing the better livelihood of communities and society according to the operating guidelines for CSR under 3 key strategies consisting of:

- Strengthen the Foundation with creation of careers for the community
- Go Local Based Solutions for upgrading the community goods and services in an integrated way through the efficient marketing operation
- Grow Local requiring the creation of community sustainability by being the source of funds for the communities for the banks with practices and activities that promote society.

34. Real Impact Award 2565 in the Field of Governance

By Real Smart Company Limited in recognition that the Bank is an efficient, transparent, verifiable business management and concerns stakeholders all around.

35. SET ESG Ratings Award 2023 at "AAA" Level

The Bank was awarded by the Stock Exchange of Thailand (SET) since the Bank was rated for SET ESG Ratings 2023 at "AAA" Level which is the highest level by the Stock Exchange of Thailand (SET). SET ESG Ratings 2023 was rated from the operations and disclosure of information of the Stock Exchange in terms of ESG, particularly the environmental and greenhouse gas emission reduction policies. The Sustainability Rating Form was developed to be consistent with the significant ESG risks and trends both at domestic and international levels, which are aligned with Krungthai Bank's operations that drive its business under the concept of "Reshaping Client Value Proposition."

36. People Management Award 2022 in the Field of The Best of CEO People Leader

37. People Management Award 2022 in the Field of The Best Learning and Development

38. People Management Award 2022 in the Field of The Best Performance Management

39. People Management Award 2022 in the Field of The Best Talent Management

The Bank was awarded by the Personnel Management Association of Thailand (PMAT) for its leadership in digital banking, demonstrated by over 40 million users of its NEXT and Pao Tang digital platforms, 2 million Thung Nern Application users, and 18 million Krungthai Connex users. This award highlights the visionary leadership behind the 'Pao Tang' Application, Thailand's Open Digital Platform, which plays a crucial role in establishing the country's digital economy infrastructure. The Bank is recognized for its clear learning and development systems, effective people development processes aimed at achieving organizational goals, and successful retention of competent personnel. Its Performance Management System aligns with organizational strategies and is integrated with other Human Resource Management Systems, including Remuneration, Talent, and Succession Management. This comprehensive Performance Management System enhances practice throughout the organization, leading to productivity that aligns with organizational objectives.

40. THAILAND TOP CEO OF THE YEAR 2023 in the Field of Banking Industry

By BUSINESS Magazine + ARIP Public Company Limited, jointly organized with the Faculty of Commerce and Accountancy, Thammasat Business School, in his recognition of Mr. Payong Srivanich, the Chief Executive Officer of Krungthai, he was awarded for THAILAND TOP CEO OF THE YEAR 2023 Award in the field of banking industry from BUSINESS+ Magazine by ARIP Public Company Limited in organizing collaboration with the Faculty of Commerce and Accountancy, Thammasat University. This emphasizes the success and leadership with a progressive vision, determination of Krungthai driving strategies with technology and innovation, creation of crisis opportunity, business expansion support, continuous growth of performance, stepping up to be the digital banking leader of the country and aim for driving business under "Reshaping Client Value Proposition" Concept, ESG concern, fulfillment of SDGs of the United Nations, and organizational drive toward stable and sustainable growth.

41. IAA Awards for Listed Companies 2022 - Outstanding CEO

42. IAA Awards for Listed Companies 2022 - Outstanding CFO

The Investment Analyst Association (IAA) granted the award in recognition of honor and admiration of the listed company's executive who possesses managerial knowledge and competence, carries the Company to sustainably succeed and grow, and creates added value to the shareholders through coordination with the investment analysts, causing preparation of the analysts' reviews for the investors.

43. Quality Persons of the Year 2023 - Mr. Payong Srivanich, Model of Financial and Banking Business Sector of the Year

Received an award from the Foundation of Science and Technology Council of Thailand in recognition of his exemplary achievements in both his personal and professional life, as well as his significant contributions to society and the nation. His accomplishments make him an ideal role model and deserving of honor and recognition for his outstanding contributions.

44. Bank of the Year 2023

The Bank was awarded by the affiliation of Dokbia Magazine and Dokbia Newspaper from Krungthai remarkableness in terms of turnover, availability of organizational management vision and the role of business and social sector care, public benefit service, and being the bank that supports the government policies which are beneficial to the economy, finance, and society, encourages the ability of people in every sector to access the financial services, reduces disparity and gap of income distribution in the society, enhances the people's skills in understanding and use of digital technology, fulfill every dimension of the customer needs, upgrades the daily livelihood of Thai people under "Growing Together for SUSTAINABILITY" vision.

45. Human Rights Awards 2023 in Big Business Organization Category at Good Level

The Bank was awarded by the Rights and Liberties Protection Department of the Ministry of Justice for its commitment to driving society towards sustainable respect for human rights. This reflects Krungthai's dedication to operating with a fundamental respect for human rights, evident in various initiatives. These include employing persons with visual impairments in compliance with the Empowerment of Persons with Disabilities Act, B.E. 2550 (2007), developing the Krungthai NEXT Application and ATMs that are accessible for visually impaired individuals, and implementing effective risk management strategies, particularly those addressing human rights violations, based on the 3 Lines of Defense Principle. Furthermore, the Bank fosters a culture of social responsibility among its personnel, aligning with universal human rights principles to enhance the daily lives of Thai people, in line with Krungthai's vision of Growing Together for SUSTAINABILITY.

46. Prime Minister's Digital Award 2022 under the DIGITAL INFINITY Scheme for Receiving "Digital Organization of The Year" Award

The Bank was awarded by the Digital Economy Promotion Agency (DEPA) from the success of digital technology infrastructure development and financial product and service development to fulfil every group of Thai people in every dimension. This covers 5 important ecosystems in daily life as follows: in term of payment with digital platforms consisting of Krungthai NEXT, Pao Tang, and Thung Nern Applications; in term of public services by applying technology to increase the efficiency of public sector services, facilitate the business and people sectors to conveniently, thoroughly and equally access public sector services to reduce disparity; in term of health by developing Health Wallet in Pao Tang Application to assist people to access the rights of health in disease screening and vaccination; in term of mass transportation in collaboration with alliances by developing the modern payment channels and conveniently connecting every travel; and in term of education by applying technologies and innovations to upgrade the educational institution toward Smart University to fulfil the new age education.

47. CHIEF INNOVATION OFFICER (CIO)

The Bank was awarded by National Innovation Agency to glorify the honor as a key player in performing the duty to drive innovations inside the organization or as a key responsible person in operating the innovations in each organization; and to build pride for being an important person in mutually promoting and supporting Thailand innovations toward the Innovation Nation.

48. Finalist Best Brand Performance on Social Media - Bank

Wisesight (Thailand) Company Limited granted Social award. The award glorifies the brand that creates excellent achievements in the world of social media in various fields through measurement of the efficiency of the ability to concretely organize marketing activities via social media. In 2023, Krungthai entered the round of 5 banks.

49. Excellence in Data-Driven Marketing (Gold)

50. Marketing Team of the Year (Gold)

51. Excellence in Customer Engagement (Silver)

52. Excellence in Marketing to a Specific Audience (Silver)

53. Excellence in Performance Marketing (Silver)

54. Excellence in Consumer Insights / Market Research (Bronze)

55. Excellence in COVID-19 Related Campaigns (Bronze)

56. Excellence in Search Marketing (Bronze)

The Bank was awarded by MARKETING-INTERACTIVE, the marketing online media leader from Singapore. The Bank received "Marketing Excellence Awards 2023" from marketing campaigns of "Krungthai Jai Pum" and digital lending products that help every group of Thai people to access the source of formal funds conveniently and rapidly to be aligned with the way of life in a new age through Pao Tang and Krungthai NEXT Applications judged by the High-Level Expert and Specialist Committee from worldwide leading brands. This reflects the remarkableness of customer-centric marketing strategy design, the ability to exactly understand the needs of the target group through a new model of marketing channel as an emphasis on the Bank's operating policies for applying technologies for benefits and fulfilling the Sustainable Development Goals (SDG Goals) of the United Nations (UN).

57. Marketing Award of Thailand 2023 (Bronze) : Sustainable Marketing

The Bank received recognition from the Marketing Association of Thailand for its 'Krungthai Loves Koh Tao' initiative that focused on developing the Koh Tao community by creating job opportunities and enhancing income sources, thus fostering self-reliance among community members. It aims to improve the quality of life within the community while simultaneously preserving the natural environment, which aligns with the Sustainable Development Goals (SDGs) set by the United Nations Organization (UN).

58. LINE THAILAND AWARDS 2022 - "BEST OFFICIAL ACCOUNT IN FINANCE & INSURANCE"

The Bank was awarded by LINE THAILAND in recognition of a successful organization in creating communication, marketing, and advertising with the customers through the LINE Application from the Official Account Krungthai Connex, with the highest popularity, highest Total Engagement Rate in the group of financial and insurance industries. The Average Engagement Rate was 7.3 million times per month from creating a campaign that accesses the individual customers of the Bank and appropriately presents the products.

59. Best Design Excellence Award

Krungthai Bank was awarded with the Best Design Excellence Award by Money & Banking Magazine at the 23rd Money Expo 2023. The award, determined by a Judgement Committee comprising national artists and experts in architecture, art, and painting, was based on criteria including creative alignment with the event's annual theme, design excellence, and utility.

60. TAB Digital Inclusive Awards 2023

The Bank was awarded in the Pao Tang - Application Category by the Thailand Association of the Blind to declare an honor of the organization with the development of the applications, website, and devices that facilitate the blind to be efficiently accessible to and use services.

61. Organization Promoting Employment of People with Disabilities Award 2023

The Department of Empowerment of Persons with Disabilities, in collaboration with Disabilities Thailand, awarded the Bank the 2023 Award in recognition of its commitment to employing persons with disabilities at a 'good level'. This award acknowledges the Bank's support for equality and its efforts in promoting and enhancing the quality of life for persons with disabilities, aligning with the goals of the United Nations and the International Day of Persons with Disabilities.

62. ISMED Top MSMEs Achievement Awards 2023 in the Category of SMEs Sustainable Growth Award

The Bank was granted by the Institute for Small and Medium Enterprises Development with an award that commends SME entrepreneurs as role models for successful business operations. These entrepreneurs are celebrated for their resilience in overcoming challenges, achieving continuous and stable growth, and their commitment to environmental conservation. They also actively collaborate with community and social networks to enhance the quality of life and promote sustainable development in the areas. The said SME customer of Ratchaburi Business Center is NC Coconut Company Limited.

63. Royal Award for SMEs Excellence Awards 2023 (Gold)

64. Royal Award for SMEs Excellence Awards 2023 (Silver)

The Thailand Management Association (TMA), in collaboration with the Sasin Graduate Institute of Business Administration of Chulalongkorn University, presented the Thailand Corporate Excellence Awards 2023 and SMEs Excellence Awards 2023 to the Bank under the patronage of Her Royal Highness Princess Maha Chakri Sirindhorn. The Bank was recognized for nominating its customers to compete in the SMEs Excellence Awards 2023. Two of the Bank's customers received awards in 2023: Window Asia Public Company Limited from the Samut Sakhon Business Center won the GOLD Award in the Retail and Wholesale Business category, and Thai Koon Chain Company Limited from the Charoen Nakhon Business Center received the SILVER Award in the Manufacturing Industry Business

65. Corporate Governance Report of Thai Listed Companies 2022: CGR Excellence

The Bank received the 'Corporate Governance Report of Thai Listed Companies 2022 - CGR Excellence Award' from the Thai Institute of Directors (IOD) in recognition that the Bank governs the entities of the listed companies for Corporate Governance Report of Thai Listed Companies - CGR 2022 at an excellence level.

66. Corporate Governance Report of Thai Listed Companies 2023: CGR Excellence (5 Star) Award

By the Thai Institute of Directors (IOD) since the Bank received assessment results from the Corporate Governance Report of Thai Listed Companies - CGR 2023 at an excellent level.

67. Compliance Award

The Bank was awarded by the Office of the National Digital Economy and Society Commission (ONDE) on the occasion of being an agency with outstanding cyber security in finance and banking according to the outstanding international standards of the nation.

Service Network

The Bank's service network by region as of December 31, 2023

Unit : Place

	Total	Bangkok and Perimeter	Province
ATMs (Including all cash withdrawal machines)	8,559	1,972	6,587
Local branches*	966	281	685
Physical branches	922	266	656
Digital branches	6	3	3
Service points (including off-site service points)	38	12	26
Business Office	73	18	55
International Business Center	24	15	9
Exchange booth	30	14	16

*including the head offices

1.2.4 Products and Services

Sources of Funds and Lending

Unit : Million Baht

Consolidated Financial Statement	Dec. 31, 2023		Dec. 31, 2022		Change 2023 / 2022
	Amount	Percent	Amount	Percent	Percent
Deposits	2,646,872	72.0	2,590,236	72.1	2.2
Interbank and money market items	282,696	7.7	277,099	7.7	2.0
Debt issued and borrowings	160,839	4.4	151,172	4.2	6.4
Other liabilities	166,431	4.5	181,340	5.1	(8.2)
Total Equity	420,847	11.4	392,572	10.9	7.2
Total	3,677,685	100.0	3,592,419	100.0	2.4

Unit : Million Baht

Loans and deposits classified by maturity Consolidated	Dec. 31, 2023		Dec. 31, 2022		Change 2023 / 2022
	Amount	Percent	Amount	Percent	Percent
Loans (less deferred revenue)					
- Not more than 1 year	749,825	29.1	729,562	28.1	2.8
- More than 1 year	1,826,691	70.9	1,863,276	71.9	(2.0)
Total Loans*	2,576,516	100.0	2,592,838	100.0	(0.6)
Deposits					
- Not more than 1 year	2,568,829	97.1	2,539,137	98.0	1.2
- More than 1 year	78,043	2.9	51,099	2.0	52.7
Total Deposits	2,646,872	100.0	2,590,236	100.0	2.2

*Excluding accrued interest receivables and interbank and money market loans.

Business Assets for Operation

Main Fixed Assets

The Bank and its subsidiaries' net premises and equipment were as follows:

Unit : Million Baht

Cost	Dec. 31, 2023	Dec. 31, 2022
Land		
Cost	5,701	5,748
Revaluation	17,582	17,639
Premises	12,389	12,235
Equipment	24,352	23,246
Others	1,558	1,429
Total	61,582	60,297
<u>Less</u> Accumulated depreciation	30,387	29,051
Allowance for impairment	131	46
Premises and equipment, net	31,064	31,200

The Bank has lease liabilities as of December 31, 2023 compared to the previous year as follows:

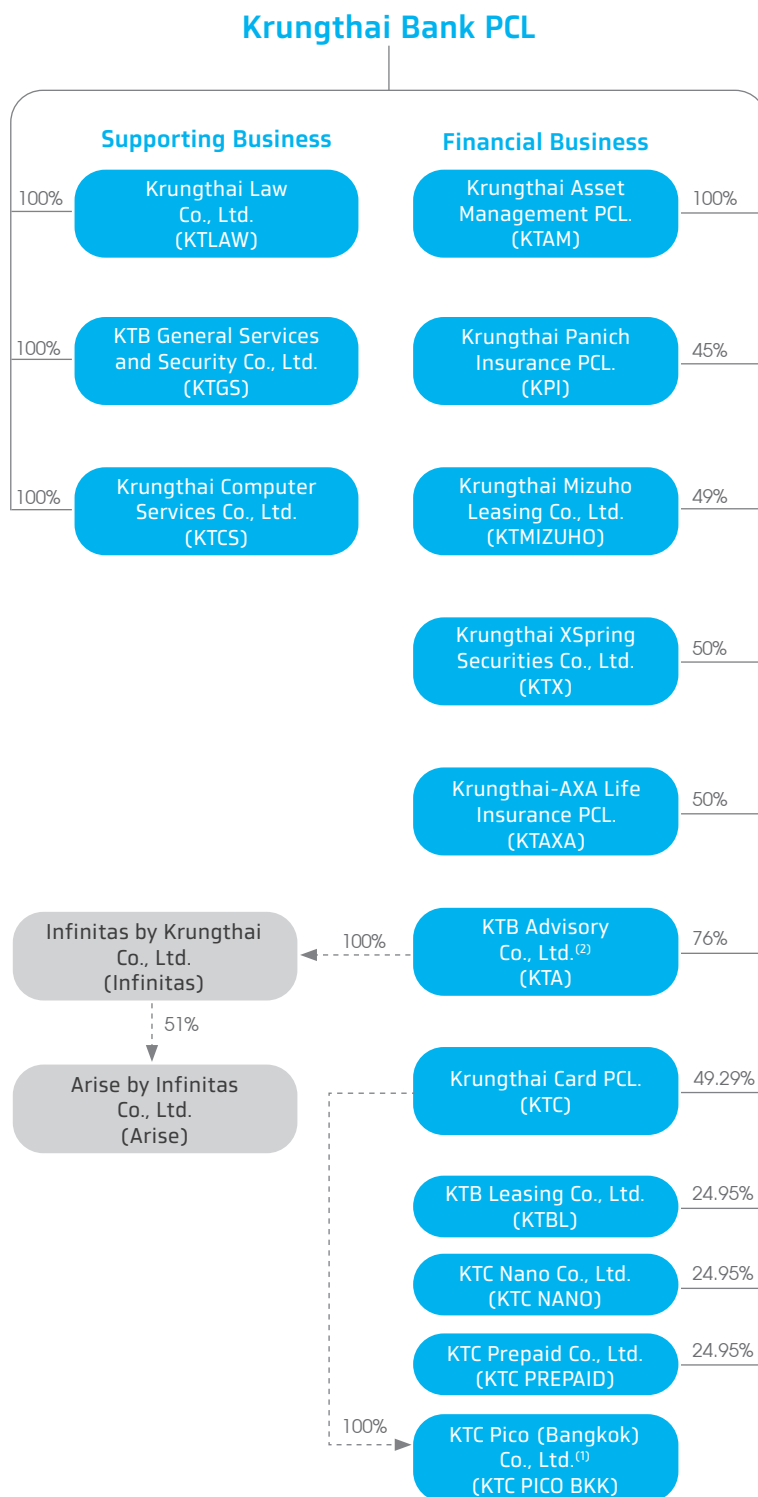
Unit : Million Baht

Lease payments	Dec. 31, 2023	Dec. 31, 2022
Up to 1 year	1,685	1,763
Over 1 - 5 years	2,235	1,923
Over 5 years	161	159
Total	4,081	3,845
<u>Less</u> : deferred interest expenses	240	157
Total	3,841	3,688

1.3 Shareholding Structure of the Group

1.3.1 Shareholding Structure of the Financial Business Group

Shareholding Structure in the Financial Business Group as of December 31, 2023



Note: (1) Four companies under shareholding of KTC Pico (Bangkok) Co., Ltd. namely, KTC Pico (Chonburi), KTC Pico (Pathumthani), KTC Pico (Samutprakan) Co., Ltd., and KTC Pico (Samutsakhon) Co., Ltd. have registered for dissolution of business in December 2023. The Liquidation was completed in February 2024.

(2) On February 21, 2024, the Bank purchased common share of KTB Advisory Limited from Krungthai Card Pcl. in the proportion of 24%. After acquiring, the Bank holds 100% common shares of KTB Advisory Limited

Investment Policy in Securities

The Bank has established a policy on investments in securities, serving as a guideline for managing investments in both equity and debt instruments. This policy aims to generate returns that align with the Bank's risk appetite and its comprehensive risk management policy. Additionally, it adheres to regulations set by relevant regulatory agencies. The strategy is not only focused on increasing income and returns beyond the interest received from lending but also supports the Bank's core business operations. Furthermore, it serves as an instrumental tool in the debt restructuring process.

Policy on Investment in Securities, Rules for Investing in the Bank's Securities

• Debt Instruments

The Bank has considered investing in bonds or debt securities guaranteed by the government. These are characterized as low-risk debt instruments with high liquidity, making them suitable to be counted as liquid assets for various transactions with the Bank of Thailand. Additionally, the Bank invests in state-owned enterprise bonds and corporate bonds. These investment decisions are guided by factors such as the Bank's liquidity, the liquidity of the securities, associated risks and returns, and the concentration of investment. However, to align with market conditions, the Bank regularly reviews and adjusts its investment policies and strategies.

• Equity Instruments

The Bank has considered investing in equity instruments to generate returns from the Bank's excess liquidity. In doing so, it prioritizes entities that exhibit strong fundamental factors and have a history of consistent dividend payments. The focus is particularly on listed securities known for their trading liquidity. Additionally, the Bank's investments include entities that support its core business operations and, to some extent, stocks acquired through the debt restructuring of loan customers. However, all these investment activities in the Bank's equity instruments are regulated under the rules set by relevant regulatory agencies.

Risk Management

The Bank has a Risk Oversight Committee (ROC) for evaluating the Bank's risk management policies and strategies, as well as an Assets and Liabilities Management Committee (ALCO) for determining the investment strategies by considering returns appropriate to risk level and supervises investment management according to the policy and supervises the investments to be within the determined total investment limit and risk limits. The Bank closely monitors and manages the investments to generate returns and prevent damage from investment impairment by monitoring economic conditions, market yield trend analysis, the performance of the invested entities, and movement of the price level, including the related news, to assess the business status and environment of the entities invested by the Bank to adjust the investment strategies and consider establishing the provision of the allowance for impairment to be aligned with the changed investment values.

In this regard, the Bank's unit that supervises investment management has the duty to report trading and the status of investments to the Executive Committee and the Board of Directors on a monthly and quarterly basis, respectively.

Provision of Allowance for Impairment

The Bank considers the provision of an impairment allowance for its investments in different types of securities. This evaluation is based on various impairment indicators defined by accounting standards. These indicators include the analysis of financial statements and the current market price of the securities the Bank has invested in. These elements are crucial in estimating the future recoverable amount of these investments.

Investment Policy in Companies in the Financial Business Group

The Bank has strategically invested in businesses to enhance the integration of services within its core operations. To this end, it has established a financial business group, operates under the Rules of Consolidated Supervision guidelines of the Bank of Thailand, in order to supervise companies in the financial business group to remain stable, conducts its business appropriately, and effectively manages operational risks.

The Bank has 16 companies in the financial business group as of December 31, 2023, as follows:

1. Financial Business refers to the businesses for promoting the Bank to provide more integrated services, i.e. asset management business, hire purchase and leasing business, credit card/personal loan/retail loan business, life insurance business, non-life insurance business, securities business, financial advisory business, holding company, and payment services business under oversight. There are 11 financial business companies, namely Krungthai Asset Management Pcl., Krungthai-AXA Life Insurance Pcl., Krungthai Panich Insurance Pcl., Krungthai XSpring Securities Co., Ltd., KTB Advisory Co., Ltd., KTB Leasing Co., Ltd., Krungthai Mizuho Leasing Co., Ltd., Krungthai Card Pcl., KTC Nano Co., Ltd., KTC Prepaid Co., Ltd., KTC Pico (Bangkok) Co., Ltd. The 4 companies under shareholding of KTC Pico (Bangkok) Co., Ltd., namely 1) KTC Pico (Chonburi), 2) KTC Pico (Pathumthani), 3) KTC Pico (Samutsakhon) Co., Ltd., and 4) KTC Pico (Samutprakan) Co., Ltd., have registered for dissolution in December 2023 and the liquidity was completed in February 2024. The Bank transferred the shares of KTC Pico (Bangkok) Co., Ltd. at 24.95% of the total number of sold shares to Krungthai Card Pcl.

2. Supporting Business refers to the service businesses for supporting the Bank's operations to be flexible, facilitate and increase the services in various fields, such as laws, information systems, digital platforms, technology-related services, and service businesses consisting of financial instrument transportation, buildings management, staff training center service, vehicle service, asset relocation service, security, automatic document printing and folding, envelope packing and sending service, debt collection, customer relationship management service, etc. There are 5 supporting business companies, namely Krungthai Law Co., Ltd., Krungthai Computer Services Co., Ltd., KTB General Services and Security Co., Ltd., Infinitas by Krungthai Co., Ltd., and Arise by Infinitas Co., Ltd., that operate the personnel and information technology resources services.

Companies in which Krungthai Bank holds 10% or more of the total shares issued

As of December 31, 2023.

Company	Business	Total Shares Issued	Shareholding Ratio			Type of Share
			The Bank's Direct Holding of Shares		Indirect Holding ⁽¹⁾	
			No. of Shares Invested	Percentage of Shareholding	Percentage of Shareholding	
Insurance Business						
1. Krungthai-AXA Life Insurance Pcl. 9 G Tower Grand Rama 9, 1 st -20 th -27 th Fl., Rama 9 Rd., Huaykwang, Huaykwang, Bangkok 10310 Customer Service Tel. : 1159 E-mail : customer.care@krungthai-axa.co.th	Life Insurance	135,500,000	67,750,000	50.00	-	Ordinary
2. Krungthai Panich Insurance Pcl. 1122 KPI Tower, New Phetchaburi Rd., Makasun, Rajathevi, Bangkok 10400 Tel. : +662 624-1111	Non-Life Insurance	33,000,000	14,850,000	45.00	-	Ordinary
3. Dhipaya Group Holdings Co., Ltd. 1115 Rama 3 Road, Chong Nonsi, Yannawa, Bangkok 10120 Tel. : +662 239-2200	Non-Life Insurance	594,292,336	59,429,000	10.00	-	Ordinary
Hire Purchase / Leasing						
4. KTB Leasing Co., Ltd. 591 UBC II Bldg., 2 nd Fl., Sukhumvit Rd., KlongTon Nua, Wattana, Bangkok 10110 Tel. : +662 407-1500	Hire purchase	100,000,000	24,950,000	24.95	75.05 ⁽²⁾	Ordinary
5. Krungthai Mizuho Leasing Co., Ltd. 98 Sathorn Square Office Tower, 33 rd Floor, Unit 3307-3313, North Sathorn Road, Silom, Bangrak, Bangkok, 10500 Tel: +662 -2009-0888 Fax: +662 -2009-0810, +662 -2009-0811	Hire purchase	10,000,000	4,899,998	49.00	2.00 ⁽³⁾	Ordinary
Credit Card/Personal Loan/Retail Loan						
6. Krungthai Card, PCL. 591 UBC II Bldg., 14 th Fl., Sukhumvit Rd., KlongTon Nua, Wattana, Bangkok 10110 Tel. : +662 123-5000 Fax. : +662 661-7721	Credit Card and Personal Loan	2,578,334,070	1,270,908,500	49.29	-	Ordinary
7. KTC Nano, Co., Ltd. 591 UBC II Bldg., G Fl., Room G3, Sukhumvit Rd., KlongTon Nua, Wattana, Bangkok 10110 Tel. : +662 123-5300	Nano Finance	5,000,000	1,247,500	24.95	75.05 ⁽²⁾	Ordinary
8. KTC Pico (Bangkok) Co., Ltd. 591 UBC II Bldg., G Fl., Room G4, Sukhumvit Rd., KlongTon Nua, Wattana, Bangkok 10110 Tel. : +662 123-5300	Retail Loan	6,000,000	-	-	100.00 ⁽²⁾	Ordinary
Payment Service under Supervision						
9. KTC Prepaid Co., Ltd. 591 Samatchavanich 2 Bldg., G Fl., Room 102, Sukhumvit Rd., KlongTon Nua, Wattana, Bangkok 10110 Tel. : +662 828-5568	Payment Service under Supervision	10,000,000	2,495,000	24.95	75.05 ⁽²⁾	Ordinary
Securities						
10. Krungthai Asset Management, PCL. 195 Empire Tower., 32 nd Fl., South Sathorn Rd., Yannawa, Sathorn, Bangkok 10120 Tel. : +662 686-6100 Fax. : +662 670-0430	Asset Management	20,000,000	19,999,986	100.00	-	Ordinary

Notes: (1) Final shareholding ratio (4) Indirect shareholding through KTB Advisory Co., Ltd.
(2) Indirect shareholding through Krungthai Card Pcl. (5) Indirect shareholding through Infinitas by Krungthai Co., Ltd.
(3) Indirect shareholding through Krungthai Panich Insurance Pcl.

Company	Business	Total Shares Issued	Shareholding Ratio			Type of Share
			The Bank's Direct Holding of Shares		Indirect Holding ⁽¹⁾	
			No. of Shares Invested	Percentage of Shareholding	Percentage of Shareholding	
11. Krungthai XSpring Securities Co., Ltd. 287 Liberty Square Bldg., 8 th , 15 th -17 th , Silom Rd., Bang Rak, Bangkok 10500 Tel. : +662 695-5000 Fax : +662 695-5173	Securities	259,127,200	129,563,600	50.00	-	Ordinary
Holding Company						
12. KTB Advisory Co., Ltd. 35 Nana Nua Bldg., 5 th Fl., Sukhumvit Rd., Klong Toey Nua, Wattana, Bangkok 10110 Tel. : +662 208-3030	Holding Company	30,000,000	22,799,999	76.00	24.00 ⁽²⁾	Ordinary
Supporting Business						
13. Krungthai Law Co., Ltd. 191/50-53, 55 CTI Tower, 19 th Fl., Ratchadapisek Rd., Klong Toey, Bangkok 10110 Tel. : +662 096-8800 Fax. : +662 261-3748-50	Legal Services	300,000	299,993	100.00	-	Ordinary
14. KTB General Services and Security Co., Ltd. 96/12 Soi. Ladprao 106 (Boon-Udom 1), Ladprao Rd., Wang Thong Lang, Bangkok 10310 Tel. : +662 791-9800 Fax. : +662 935-3711	General Services	1,400,000	1,399,990	100.00	-	Ordinary
15. Krungthai Computer Services Co., Ltd. 22/1 Sawai Brown 2 Bldg., Soi Sukhumvit 1, Sukhumvit Rd., Klong Toey Nua, Wattana, Bangkok 10110 Tel. : +662 646-8000	IT Services	13,000,000	12,999,994	100.00	-	Ordinary
16. Infinitas by Krungthai Co., Ltd. 35 Sukhumvit Rd, 3 rd Floor, Klong Toey Nua, Wattana, Bangkok 10110	Digital Platform Service and Services Related to Technology	30,000,000	-	-	100.00 ⁽⁴⁾	Ordinary
17. Arise by Infinitas Co., Ltd. 88 The PARQ, 5 th , 9 th -10 th Floor, Ratchadaphisek Rd, Klongtoey, Klong Toey, Bangkok 10110 Tel : +662 483 9755	Providing Personnel and IT Resources	30,000,000	-	-	51.00 ⁽⁵⁾	Ordinary
Others						
18. National ITMX Co., Ltd. 5/13 Moo 3, Klong Kluea, Pak Kret, Nonthaburi 11120 Tel : +662 558-7555 Fax. : +662 558-7566	Interbank Transaction Management	500,000	115,078	23.02	-	Ordinary
19. BCI (Thailand) Co., Ltd. 5/13 Moo 3, 4 th Fl., Chaengwattana Rd., Klong Kluea, Pak Kret, Nonthaburi 11120	Electronic Letter of Guarantee Service on Blockchain System	53,000,000	11,750,000	22.17	-	Ordinary
20. Suvarnabhumi Airport Hotel Co., Ltd. 999 Moo 1 Suvarnabhumi Airport Hotel Bldg., Nongprue, Bang Phli, Samut Prakan 10540 Tel. : +662 131-1042-4 Fax. : +662 131-1189	Hotel	10,177,800	1,017,780	10.00	-	Ordinary

Notes: (1) Final shareholding ratio (4) Indirect shareholding through KTB Advisory Co., Ltd.
(2) Indirect shareholding through Krungthai Card Pcl. (5) Indirect shareholding through Infinitas by Krungthai Co., Ltd.
(3) Indirect shareholding through Krungthai Panich Insurance Pcl.

Company	Business	Total Shares Issued	Shareholding Ratio			Type of Share
			The Bank's Direct Holding of Shares		Indirect Holding ⁽¹⁾	
			No. of Shares Invested	Percentage of Shareholding	Percentage of Shareholding	
21. Saraburi New Industrial City Co., Ltd. 123 Thai Life Insurance Bldg., 12 th Fl., Ratchadapisek Rd., Huaykwang, Huaykwang, Bangkok 10400 Tel.: +662 246-9487 Fax.: +662 246-9819	Industrial Estate	25,000,000	2,500,000	10.00	-	Ordinary
22. Alphatec Electronics Pcl. (Contact Office of the Liquidator) 889 Thai CC Tower, 14 th Fl., North Sathorn Rd., Sathorn, Bangkok 10120	Electronics Components Manufacturing	2,642	806	30.51	-	Ordinary
23. Manager Media Group Pcl. 98/3-10 Phra-Athit Rd., Chana Songkram, Phra Nakorn, Bangkok 10200 Tel.: +662 629-4488 Fax.: +662 629-4469	Publications	129,354,620	20,814,928	16.09	-	Ordinary
24. Kuang Pei San Food Products, PCL. 43 Tanasarn Tower, Chiangmai Rd., Klong San, Bangkok 10600 Tel.: +662 863-3288 Fax.: +662-437-8123	Canned Food Manufacturing and Distribution	500,490,420	62,145,000	12.42	-	Ordinary
25. Sahaviriya Steel Industries, PCL. 28/1 Prapawit Building, 2 nd -3 rd Fl., Surasak Rd., Bangrak, Silom, Bangkok 10500 Tel: +662 -2238-3063-82 Fax: +662 -2236-8890, +662 -2236-8892	Steel Industry	11,113,018,280	4,499,394,589	40.49	-	Ordinary
26. Private Equity Trust for SME Growing Together 1 989 Siam Piwat Tower Building, 9 th Fl, 24 th Fl., Rama I Rd., Pathumwan, Pathumwan, Bangkok, 10330	Private Fund (Fund established to promote SMEs)	94,000,000	82,819,358	88.11	-	Trust Certificate
27. Private Equity Trust for SME Growing Together 2 989 Siam Piwat Tower Building, 9 th Fl, 24 th Fl., Rama I Rd., Pathumwan, Pathumwan, Bangkok, 10330	Private Fund (Fund established to promote SMEs)	80,000,000	68,669,520	85.84	-	Trust Certificate
28. IBM Digital Talent for Business Co., Ltd. 188 Spring Tower, 11 th Fl, 101,112 Phaya Thai Rd, Thung Phaya Thai, Ratchathewi, Bangkok 10400	Design, consulting and software development	540,000	54,000	10.00	-	Ordinary

Notes: (1) Final shareholding ratio (4) Indirect shareholding through KTB Advisory Co., Ltd.
 (2) Indirect shareholding through Krungthai Card Pcl. (5) Indirect shareholding through Infinitas by Krungthai Co., Ltd.
 (3) Indirect shareholding through Krungthai Panich Insurance Pcl.

1.3.2 In the case where a person who may have a conflict of interest holds shares in a subsidiary or associated company more than 10%.

-None-

1.3.3 Relationship with Business Group of Major Shareholders

-None-

1.3.4 Shareholders

Top 10 Shareholders

Shareholding Structure: List of Shareholders as of April 19, 2023 (book closing date) are as follows:

Shareholder	Number of Shares			
	Ordinary	Preferred	Total	Percent
1. The Financial Institutions Development Fund	7,696,248,833	0	7,696,248,833	55.05
2. Thai NVDR Co., Ltd.	1,064,790,034	2,060	1,064,792,094	7.62
3. STATE STREET EUROPE LIMITED	450,848,987	0	450,848,987	3.22
4. EGAT Saving and Credit Cooperative Limited	418,620,500	0	418,620,500	2.99
5. Vayupak Mutual Fund 1 managed by MFC	304,793,658	2,726,095	307,519,753	2.20
6. Vayupak Mutual Fund 1 managed by KTAM	304,793,657	2,726,095	307,519,752	2.20
7. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	200,163,876	0	200,163,876	1.43
8. Government Savings Bank	111,299,422	0	111,299,422	0.80
9. BNY MELLON NOMINEES LIMITED	109,241,670	0	109,241,670	0.78
10. THE BANK OF NEW YORK MELLON	79,758,325	0	79,758,325	0.57
11. Other shareholders	3,235,502,288	45,750	3,235,548,038	23.14
Total	13,976,061,250	5,500,000	13,981,561,250	100.00

Notes: Information from Thailand Securities Depository Co., Ltd., the Bank's securities registrar

Proportion of ordinary shares held by Thai nationality and foreign nationality shareholders

Shareholder	Juristic Entity		Individual		Total		
	Number	Number of Shares	Number	Number of Shares	Number	Number of Shares	Percent
Thai Nationality	851	11,063,735,144	72,857	1,376,923,811	73,708	12,440,658,955	89.01
Foreign Nationality	250	1,486,120,161	127	49,282,134	377	1,535,402,295	10.99
Total	1,101	12,549,855,305	72,984	1,426,205,945	74,085	13,976,061,250	100.00

Notes: Information from Thailand Securities Depository Co., Ltd., the Bank's securities registrar

Proportion of preferred shares held by Thai nationality and foreign nationality shareholders:

Shareholder	Juristic Entity		Individual		Total		
	Number	Number of Shares	Number	Number of Shares	Number	Number of Shares	Percent
Thai Nationality	4	5,454,490	135	45,510	139	5,500,000	100.00
Foreign Nationality	0	0	0	0	0	0	0
Total	4	5,454,490	135	45,510	139	5,500,000	100.00

Top 10 Shareholders

Shareholding Structure: List of Shareholders as at December 31, 2023 (book closing date) are as follows:

Shareholder	Number of Shares			
	Ordinary	Preferred	Total	Percent
1. The Financial Institutions Development Fund	7,696,248,833	0	7,696,248,833	55.05
2. Thai NVDR Co., Ltd	1,193,929,280	2,060	1,193,931,340	8.54
3. STATE STREET EUROPE LIMITED	435,807,778	0	435,807,778	3.12
4. Vayupaksa Mutual Fund 1 managed by MFC	304,543,658	2,726,095	307,269,753	2.20
5. Vayupaksa Mutual Fund 1 managed by KTAM	304,543,657	2,726,095	307,269,752	2.20
6. EGAT Saving and Credit Cooperative Limited	280,532,000	0	280,532,000	2.00
7. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	205,720,443	0	205,720,443	1.47
8. BNY MELLON NOMINEES LIMITED	133,388,608	0	133,388,608	0.95
9. Government Savings Bank	111,664,122	0	111,664,122	0.80
10. SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	100,010,032	0	100,010,032	0.71
11. Other shareholders	3,209,672,839	45,750	3,209,718,589	22.96
Total	13,976,061,250	5,500,000	13,981,561,250	100.00

Note: Information from Thailand Securities Depository Co., Ltd., the Bank's securities registrar

Proportion of shares held by Thai nationality and foreign nationality shareholders:

Shareholder	Juristic Entity		Individual		Total		
	Number	Number of Shares	Number	Number of Shares	Number	Number of Shares	Percent
Thai Nationality	921	11,215,381,188	69,859	1,223,552,854	70,780	12,438,934,042	88.97
Foreign Nationality	251	1,493,474,624	117	49,152,584	368	1,542,627,208	11.03
Total	1,172	12,708,855,812	69,976	1,272,705,438	71,148	13,981,561,250	100.00

Note: Information from Thailand Securities Depository Co., Ltd., the Bank's securities registrar

Shareholders can examine the details of the Securities Registrar for ordinary and preferred shares of the Bank in Part 1, Item 5, General Information and Other Major Information.

The Bank's Shareholding by Minority Shareholders (Free Float)

The Bank gathered a list of shareholders as of December 31, 2023, and found that the Bank's shareholding by minority shareholders (free float) was in the proportion of 44.95% of the paid capital.

Financial Institutions Development Fund

As of December 31, 2023, the Financial Institutions Development Fund is the major shareholder of the Bank for 7,696,248,833 shares or 55.05% of total paid-up ordinary and preferred shares (or estimated to be 55.07% of total paid-up ordinary shares). The Financial Institutions Development Fund ("FIDF") has the objective to rehabilitate and develop the financial institution system to be stable and firm. The Fund Management Committee sets the policy and supervises the FIDF. However, the FIDF is both a part of and a juristic person separated from the Bank of Thailand. The fund management department has the duty to manage under the framework of the Fund Management Committee.

1.4 Number of Registered and Paid-Up Capital

1.4.1 Registered Capital

As of December 31, 2023, the Bank has had registered capital and paid-up capital of 72,005,040,437.50 Baht, consisting of:

Ordinary Shares for	13,976,061,250	shares	at a share value of 5.15 Baht per share
Preferred Shares for	<u>5,500,000</u>	shares	at a share value of 5.15 Baht per share
Total	<u>13,981,561,250</u>	shares	

1.4.2 Detail of the Bank's Securities

- Ordinary Shares

Ordinary shares are listed on the Stock Exchange of Thailand and are actively traded on both domestic and foreign boards. For domestic trading, these shares use the symbol 'KTB', while on foreign boards, they are traded under the symbol 'KTB-F'.

- Preferred Shares

Preferred shares are listed securities on the Stock Exchange of Thailand and are traded on both domestic and foreign boards. On domestic boards, these shares are identified by the symbol 'KTB-P', while on foreign boards, they are denoted by the symbol 'KTB-Q'.

Preferred shares are a type of stock fully invested at par value, offering shareholders special privileges. In addition to the right to vote in shareholders' meetings and the right to receive dividends equivalent to those of ordinary shares, preferred shareholders are entitled to a special dividend. This dividend is paid at a fixed rate of 3% per year, and it is distributed before any dividends are allocated to ordinary shares.

In voting, whether openly or secretly, ordinary, and preferred shareholders have votes equal to the number of shares they hold, where one share is counted as one vote.

- Conditions for Investing in the Bank's Securities

1) The Bank's shareholders must be persons of Thai nationality for not less than 75% of the total number of voting and sold shares.

In the case where the Bank of Thailand deems appropriate, the Bank of Thailand may allow non-Thai nationals to hold shares up to 49% of the total number of voting and sold shares.

2) Any person (including related persons) is prohibited from holding shares or having shares of any financial institution, whether directly or indirectly, for more than 10% of the total number of sold shares, unless authorized by the Bank of Thailand or according to the rules prescribed by the Bank of Thailand.

1.4.3 Other Securities

As of December 31, 2023, the Bank has had 1,193,931,340 units of NVDR (Non-Voting Depository Receipt) managed by Thai NVDR Co., Ltd., which was established by the Stock Exchange of Thailand. The NVDR investors shall receive the same financial privileges, such as dividends, and right offering, as the investments in the Bank's shares, but have no right to vote in the shareholders' meeting, except being voting to consider the resolution for delisting of underlying securities from listed securities of the Stock Exchange of Thailand. However, the number of NVDR shares is estimated to proportion of 8.54% of the Bank's ordinary shares and 0.04% of the Bank's total issued and paid-up preferred shares and estimated into the proportion of 19.00% of total shares held by minority shareholders (free float). Minority shareholders and investors can verify the number of NVDR shares on the website of the Stock Exchange of Thailand at www.set.or.th.

1.5 Issuance of Other Securities

The Bank issues and offers debt instruments. The proceeds from each offering are used for the purposes stated in the debenture filing. The details of outstanding debt instruments are as follows:

• **Debt instruments offered for domestic sale to the institutional investors and/or the high net worth investors.**

Issuance Date	Debt Instruments	Credit Rating	Outstanding	Period (year)	Maturity Date
Jul., 2019	Subordinated Instruments intended to qualify as Tier 2 Capital of Krungthai Bank PCL. No. 1/2019 (Redemption in 2029).	AA- (tha) (Fitch Ratings Thailand)	THB 24,000 million	10 (Call option in 5 th year)	Jul., 2029
Mar., 2021	US\$600,000,000 Additional Tier 1 Subordinated Notes (under the Euro Medium Term Note Program) (Enforced by English law. It is listed on the Singapore Stock Exchange (SGX).	Ba3 (Moody's)	USD 600 million	None (Call option in 5 th year)	No Redemption Date
Apr., 2022	Subordinated Instruments intended to qualify as Tier 2 Capital of Krungthai Bank PCL. No. 1/2022 (Redemption in 2032).	AA(tha) (Fitch Ratings Thailand)	THB 18,080 million	10 (Call option in 5 th year)	Apr., 2032
2021	Structured note based on Solactive Luxury Dynamic Factors Index (SOLUX10F Index) under the Krungthai Bank PCL Structured Notes Program No.1/2020.	AAA(tha) (Fitch Ratings Thailand)	THB 741 million	5 years	Jun., Jul., 2026
2021	Structured notes based on the iSTOXX Global Transformation Select 30 NR Decrement 4.5% Index (IGTRSND) under the Krungthai Bank Public Co. Ltd. Structured Notes Program No.1/2020.	AAA(tha) (Fitch Ratings Thailand)	THB 1,825 million	5 years	Sep., 2026
2021	Structured note based on the USDTHB exchange rate (FX Note) under the Krungthai Bank PCL Structured Notes Program No. 1/2020	AAA(tha) (Fitch Ratings Thailand)	USD 509 million	1 - 7 years	Mar., 2024 - 2028
2022	Structured note based on Solactive Global Artificial Intelligence ESG EUR Index 5% AR (SOAIESG5 Index) under the Krungthai Bank Public Co. Ltd. Structured Notes Program No.1/2021.	AAA(tha) (Fitch Ratings Thailand)	THB 1,340 million	5 years	Jan., 2027
2022	Structured note based on THOR Index (Inverse Floater Note) under the Krungthai Bank Public Co. Ltd. Structured Notes Program No.1/2021	AAA(tha) (Fitch Ratings Thailand)	THB 7,410 million	1 year 6 months, 2 years, 3 years	Jun. and Jul., 2024 Jun., 2025
2022	Structured note based on THOR Index (Fixed Range Inverse Floater Note) under the Krungthai Bank Public Co. Ltd. Structured Notes Program No.1/2021	AAA(tha) (Fitch Ratings Thailand)	THB 1,313 million	2 years 3 months	Nov., 2024
2022	Structured note based on J.P. Morgan 4% VT Mozaic XRP 1% Decrement Index (JMAB392E Index) under the Krungthai Bank Public Co. Ltd. Structured Notes Program No.1/2021	AAA(tha) (Fitch Ratings Thailand)	THB 2,675 million and USD 4 million	3 years, 10 years	Mar., May, Jun., 2025 Jun., Aug., 2032
2022	Structured note based on DB Momentum Asset Allocator Target Volatility 5.5% Index (DBMUAU55 Index) under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(tha) (Fitch Ratings Thailand)	THB 46 million	1 year 6 months 14 days	May., 2024
2022	Structured note based on THOR Index (Fixed Range Inverse Floater Note) under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(tha) (Fitch Ratings Thailand)	THB 736 million	2 years 3 months	Dec., 2024
2022	Structured note based on THOR Index (Step Up Callable Bonus Note) under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(tha) (Fitch Ratings Thailand)	THB 3,240 million	5 years	Nov., 2027
2022	Structured note based on CITI Diversified Risk Premia Index (CIMARP23 Index) under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(tha) (Fitch Ratings Thailand)	THB 920 million	3 years	Dec., 2025
2023	Structured note based on THOR Index (Step Up Callable Bonus Note) under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(tha) (Fitch Ratings Thailand)	THB 3,626 million	1 year 3 months, 1 year 9 months 5 years	Aug., 2024 Feb., 2025 Jan., Mar., May, Jun. and Aug., 2028

Issuance Date	Debt Instruments	Credit Rating	Outstanding	Period (year)	Maturity Date
2023	Structured notes based on PIMCO GIS Income Fund ACC JPY Hedged Retail Share Class (PIMEJHA) under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(tha) (Fitch Ratings Thailand)	THB 844 million	3 years	Jan., 2026
2023	Structured notes based on SPDR® Gold Shares under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(tha) (Fitch Ratings Thailand)	THB 1,939 million	1 years	Feb., 2024
2023	Structured notes based on BNP Paribas AW Alpha Commodity 4 ER Index under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(tha) (Fitch Ratings Thailand)	THB 460 million	3 years	Mar., 2026
2023	Structured notes based on UBS X-Asset Risk-Premia Portfolio 2.0 under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(tha) (Fitch Ratings Thailand)	THB 3,271 million	3 years	Jun. and Jul., 2026
2023	Structured notes based on the USDTHB exchange rate (USD Bonus Note) under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(tha) (Fitch Ratings Thailand)	USD 12 million	9 months	Apr., 2024
2023	Structured notes based on 3M THB THOR Index under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(tha) (Fitch Ratings Thailand)	THB 94 million	5 years	Aug. 2028
2023	Structured notes based on DB Momentum Asset Allocator Target Volatility 5.5% Index (DBMUUAU55 Index) under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(tha) (Fitch Ratings Thailand)	THB 56 million	1 year 7 months, 1 year 9 months	Oct., 2024 Feb., 2025
2023	Structured notes based on Solactive Alternative Funds VT Index (SOALTFVT Index) under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(tha) (Fitch Ratings Thailand)	THB 2,862 million	3 years	Sep. - Dec., 2026
2023	Structured notes based on THOR (Step Up Callable Bonus Note) under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(tha) (Fitch Ratings Thailand)	THB 3,623 million	3 years, 5 years	Oct., 2026 Oct. and Nov., 2028

1.6 Dividend Payout Policy

Dividend Payout Policy of the Bank

The Bank has established a policy of paying dividends equivalent to approximately 40% of its net profit. However, the actual dividend payment each year depends on the Bank's realized profit from normal business operations. When determining the dividend amount, the Bank takes into account various factors. These include its future performance, prevailing economic and financial conditions, the need for credit increase and provisioning, and resolutions from the Board of Directors' and/or shareholders' meetings. The amount of retained earnings, the necessity of provisioning for legal and other reserves, and compliance with laws and regulations set by authorized regulatory agencies are also considered.

Separate Financial Statements of the Bank	Year 2022	Year 2021	Year 2020
Earnings per Share (Baht)	2.41	1.54	1.20
Dividend per Share for Ordinary Shares (Baht)	0.6820	0.4180	0.2750
Dividend per Share for Preferred Shareholders (Baht)	0.8365	0.5725	0.4295
Dividend Payout Ratio (%)	30.10	30.07	28.93
Dividend Payment Date	May 3, 2023	May 6, 2022	May 7, 2021

Dividend Payout Policy of the Bank's Subsidiaries

The Bank's subsidiaries consider the dividend payment which is subject to operating performance, operating performance under the business plan, retained earnings, provisioning of legal reserves, and other reserves as necessary or as deemed appropriate for business operations.

Part 1 Business Operations and Performance

2. Risk Management

2.1 Risk Management Policies and Plans

Krungthai Bank, as one of the country's premier financial institutions, prioritizes risk management and control while striving for sustainable banking through a systematic and efficient risk management system. The Bank has meticulously outlined its risk management framework, policies, guidelines, and manuals, encompassing all dimensions of risk management in alignment with the Bank of Thailand's (BoT) requirements. Furthermore, it has embraced the guidelines of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which offer a framework for integrated enterprise risk management (ERM) founded on international principles. The important principle is to link the risk management process with the strategic plan and business opportunities of the Bank to integrate risk management across the entire organization. The Bank has established Key Risk Indicators (KRIs), Risk Appetite, and Risk Tolerance, covering all risk factors and causes, in order to monitor the results of risk management to a level acceptable to the Bank and in accordance with the specified goals. Additionally, the true causes of risk are identified to seek management measures and prevention guidelines before damage occurs to the Bank's business operations, income, and capital funds. The Cluster Risk team is responsible for continuously supervising, monitoring, evaluating, and reporting the results of risk management to the Risk Oversight Committee, Audit Committee, and the Board of Directors.

The Bank continuously encourages its employees at all levels to be aware of creating Risk Culture according to the policy of the Bank of Thailand by communicating through Sustainable Krungthai Initiatives and Krungthai core value, including providing training courses and seminars about risk management to the employees at all levels covering the Board of Directors, committees, top executives and employees in every department of the Bank. Consequently, all of them realized the importance and have further understanding toward risk management, as well as taking responsibility in regulatory compliance and the Bank's risk management. These actions shall effectively support all departments to achieve the goals and conduct the business operations in compliance with good corporate governance, which will help the Bank have further steady and sustainable growth.

Risk Management Guidelines of the Bank

- Consolidated Supervision

The Bank has 16 subsidiary companies in the Financial Conglomerate, classified into 2 groups, namely 1. financial business, i.e. asset management business, hire purchase and leasing

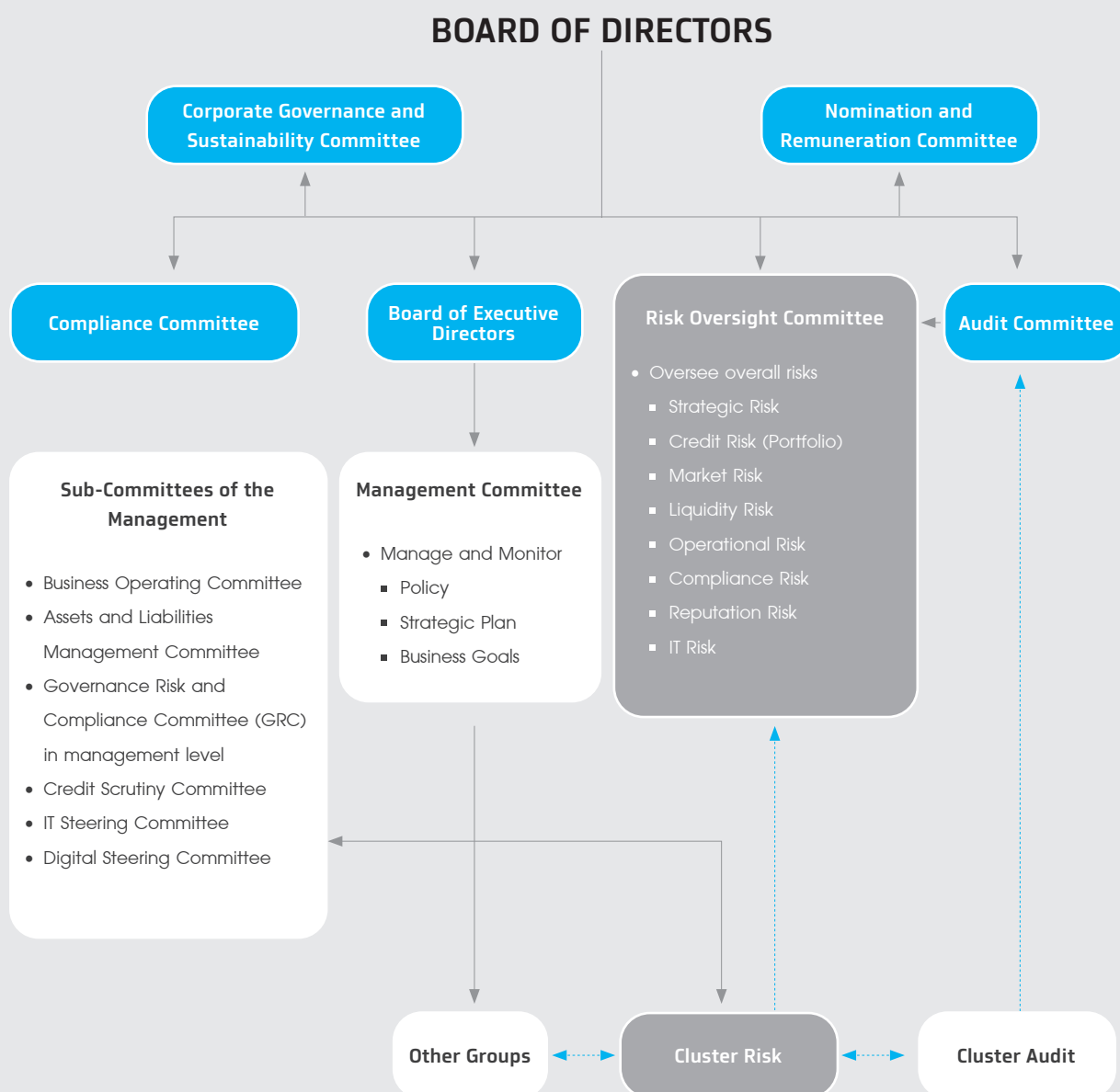
business, credit card/personal loan/retail loan business, life insurance business, non-life insurance business, securities business, financial advisory business, holding company and payment services business under oversight, and 2. supporting business for the Bank's operations. The Bank had formulated a policy and risk management framework in accordance with the requirements for consolidated supervision prescribed by the Bank of Thailand (BOT) and the identical principles to the Bank's risk management and compliance.

Furthermore, the companies in the Financial Business Group are required to report risk management performance to the Risk Oversight Committee regularly or whenever significant changes occur. In this regard, risk management performance of respective companies must be monitored closely.

The Bank had encouraged the companies under financial conglomerate to have the risk management covering significant risks in compliance with the Internal Capital Adequacy Assessment Process (ICAAP), namely Strategic Risk, Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Reputation Risk, and IT Risk. Regarding to this, the Bank has continuously provided the training and relevant knowledge to the companies under Financial Conglomerate as well as overseeing all its affiliates to implement the KRI as the tool for assessment risk and reported the risk management performance to the Risk Oversight Committee of the Financial Conglomerate and the Board of Directors of the Bank. This resulted in development of the risk management of financial Business Group successively.

- Risk Management Structure

The Bank sets up the organization and risk management structure effectively which is corresponding to the principles of good corporate governance. Duty and responsibility are clearly segregated for each business unit. The Bank's Risk management structure consists of high-level committees that are sub-committees of the Bank's Board of Directors. They are responsible for overseeing overall risks and in terms of policy. The committees are the Board of Executive Directors, the Risk Oversight Committee, the Compliance Committee, the Audit Committee and the Corporate Governance and Sustainability Committee. In addition, there are other Sub-Committees of the Management Authorities to oversee and monitor risks consisting of the Chief Executive Officer and senior executives, namely Management Committee, Assets and Liabilities Management Committee, Governance Risk and Compliance Committee in management level, Credit Scrutiny Committee. In summary, the overall structure of the Bank's risk management is as follows:



• Lending and Approval Tools

1. Lending Principles and Approval Tools

Loan approval considers various factors according to the principle of lending, namely the purpose of using loans and the sources of funds for the repayment of debts. The Bank shall examine the purpose of using loan, the loan applicant's repayment ability and risk factors that will prevent the Bank from receiving debt repayment. In case that the loan applicant is an entrepreneur or a juristic person, the Bank will analyze the status and business competence of the loan applicant, along with specifying collateral and setting appropriate conditions to reduce the risks.

All loan approvals are subject to the tools set by the Bank. The tools used depend on customer size and loan process. For consumer loan customers, home loans customers, and SME loans customers whose business is not very complex, the Bank uses a tool called Credit Scoring, together with Product Program lending. The Bank also starts using consumer behavior data in loan consideration. As for corporate loans and medium-size business loans with high loan limit amounts, the Bank has required a Check and Balance process and credit risk rating as part of loan consideration.

2. Loan Approval Authority

Regarding loan approval authority and debt restructuring, loans with the Credit Scoring tool are approved by the Bank's officers who have expertise in loan consideration. As for corporate customers with various loan needs and complications in their businesses, loan approval relies on judgment and experiences of loan committees. Approval authority of the committees is based on the credit rating of and total loan limit of customers. In addition, the lowest level of authority has been delegated for certain types of loans with higher risks than other general types of loans in order to control risks and total exposure of customers and groups of customers at the Risk Appetite level and to be in line with the Bank of Thailand's regulations and requirements. Lastly, the approval authority of certain types of loans or low-risk loan transactions is delegated to the Bank's officers. This is to help the Bank be able to compete with other financial institutions and also provide flexibility in loan services.

3. Debtor Tracking

The Bank appoints loan officers to regularly visit customers in order to keep track of their loan amount usage to be in accordance with loan conditions, including tracking the progress of their business and the well-being of customers. The Bank requires loan review of all customers. The frequency of the review depends on the risks of the customer. However, it must be reviewed at least every 12 months. Besides, preventive tracking of customers is required. In preventive tracking, loan officers follow up on warning signs about customers' loan quality, keep track of and review financial statements and business plans, and credit ratings of customers. Credit ratings must be reviewed at least once a year or when there is a risk situation which may affect the customer's ability to repay debt to the Bank or the customer's management. In order to keep track of the customers, the Bank also maintains the valuation of collateral and insurance accurate and up-to-date. Furthermore, the Early Warning system has been employed in order to help monitor the debtor's loan use and debtor quality consistently and quickly.

• Classification and Provisioning Policies

Loan Classification Policy

1. Loan Classification Guideline

The Bank has a loan classification guideline, dividing it into 3 stages that are in compliance with the established accounting standards and the regulations of the Bank of Thailand, under the Notification of the Bank of Thailand, Re: Regulations on Asset Classification and Provisioning of Financial Institutions.

2. Loan Classification Criteria

The Bank requires the loan classification to be considered according to the credit risk profile by taking into account the quantitative factors based on loan overdue period and the qualitative factors based on various factors that affect the ability to pay debt, financial position, including the credit risk status according to various indications. Loan classification is divided into 3 stages as follows:

(1) Stage 1 (S1) refers to loans and financial obligations that do not have a significant increase in credit risk (Performing: "P").

(2) Stage 2 (S2) refers to loans and financial obligations with a significant increase in credit risk. (Under-Performing: "UP").

(3) Stage 3 (S3) Stage 3 or S3 refers to loans and financial obligations with credit impairment. (Non-Performing: "NP").

According to the regulations of the Bank of Thailand, financial institutions must classify loans by a facility/an account. As for commercial loan classification, in case that the debtor has multiple loan accounts, if the cash inflow of each loan account is related to one another, they will be classified in the same stage. Apart from complying with the abovementioned regulation, the Bank has also established additional internal rules, that is to classify loan by customer based on the lowest level of the debtor, unless it meets other conditions set by the Bank, loans will be classified by a facility/an account. (For example, in case there is an indication that the cash inflow in each account of the debtor is not related to one another or non-performing loan accounts do not affect the main loan limit of the debtor, etc.). As for consumer loans, the loan is classified by facility/account.

As for debtors whose debts are restructured in accordance with the Bank of Thailand policy on debt restructuring, divided into:

1. "Debt restructuring for debtors who do not have credit impairment", which is a pre-emptive debt restructuring (Pre-emptive DR) initiated at the first signs of an increase in credit risk for debtors.

2. "Debt restructuring for debtors who have credit impairment", which is a Troubled Debt Restructuring (TDR).

The Bank provides close and continuous monitoring of debtors after debt restructuring for at least 12 months to follow up on debtors' compliance with conditions and classification according to the rules and regulations set by the regulators. However, the previous classification is maintained during the follow-up on debt restructuring conditions until the debtor is able to comply with the condition stipulated in the relevant accounting standards or the conditions specified by the Bank of Thailand.

Provisioning Policy

The Bank has set aside provisions to cover expected credit loss (ECL) or expected loss (EL) in order to reflect credit risk of debtors. The Bank shall consider previous information and forward-looking information which may affect the debtor's repayment ability according to the classification status and the regulations prescribed by the Bank of Thailand as follows:

Classification	Minimum Provisioning Coverage Ratio
Stage 1 : "S1"	100% of 12-month expected credit losses
Stage 2 : "S2"	100% of Lifetime expected credit losses
Stage 3 : "S3"	100% of Lifetime expected credit losses

Apart from provisioning according to classification derived from the Bank's Model as mentioned above, the Bank may consider additional provisioning as it deems appropriate so as to relief damages that may occur from uncertainty or fluctuation in the future such as market environment or economic conditions that may affect the status of debtors, forward-looking event or model risk/uncertainty by using tight criteria greater than the requirements of the Bank of Thailand for the stability of the Bank.

2.2 Business Operation Risks and Risk Management Measures

2.2.1 Emerging Risk

The Bank has regularly conducted risk assessments to identify risks to the business operations of the Company or the Company Group, including current and emerging risks expected in the next 3 to 5 years. This is done in order to assess the potential impact of these risks, which may affect the Company's ability to achieve its business goals. Additionally, mitigation standards have been established to prevent and reduce impacts on the business operations of the Bank and its customers.

Transition Risk (for a low-carbon society)

Details of Risk

At present, the problems and impacts of climate change have become more serious, as evidenced by extreme events such as heatwaves, rainstorms, floods, droughts, and forest fires, which are more severe and frequent than in the past. Countries around the world, including Thailand, have joined together to set directions, goals, and criteria to limit global temperature rise to no more than 1.5 °C compared to pre-industrial revolution times. These changes may lead to modifications in laws, regulations, and consumer preferences. The Bank needs to adapt to deal with and manage transition risks, such as

- Risks arise from changes in relevant laws or regulations, such as the Emission Trading Scheme (ETS) and the European Union's Carbon Border Adjustment Mechanism (CBAM), which will impact sectors including cement, electricity, fertilizer, iron and steel, aluminum, and hydrogen. Additionally,

there are risks for other industrial sectors covered by the EU Emissions Trading System (EU ETS) that may be subject to measures such as basic organic substances, plastics and polymers, glass, ceramics, gypsum, and paper, among others. Furthermore, there are measures being considered that could impose import fees on polluters from the United States and implement the Carbon Border Adjustment Mechanism (CBAM) on the energy, transportation, and industrial sectors. Thailand is also in the process of developing the structure of Carbon Border Adjustment Mechanism (CBAM).

- Risks arise from changes in customer behavior and shifts in investor's investment policies. Consumers are increasingly interested in environmentally friendly products and services, including Green and Sustainable Finance products. Meanwhile, investors are increasingly conscious of the potential impact of climate change on the Company's future financial losses.

Impacts

The risk of changes in laws or regulations related to the transition to a low-carbon society, as well as shifts in customer behavior, may significantly affect both the business operations of the Bank and its customers.

- The Bank's customers also face higher costs due to regulatory and legal changes, such as Carbon Border Adjustment Mechanism (CBAM), and GHG emissions rights trading costs. Large businesses will be primarily affected because there is a chance that their greenhouse gas emissions will surpass the minimum threshold specified by the government for tax payment. The Bank forecasts that the sectors affected will include cement, electricity, fertilizer, iron and steel, aluminum, and hydrogen sectors, with increased costs impacting debt repayment potential, as well as the customers' investment expansion decisions.

- In assessing the risks in serious cases, the Carbon Border Adjustment Mechanism (CBAM) can affect customers in certain industries in eligible business sectors. It can impact decision-making in operations, reduce production capacity and employment, lead to seeking other export sources, or necessitate increasing product prices to balance rising costs. Furthermore, it may have a chain effect on SMEs and retail customers, potentially affecting liquidity and resulting in bad debt from default, among other consequences.

- The Bank must face the impact of higher operating costs. For example, if the government introduces Carbon Border Adjustment Mechanism (CBAM) in 2024, or the Bank may face penalties that may be imposed by the regulator of financial institutions.

Mitigation Measures

The Bank has studied, evaluated, and implemented the risk management plan by integrating ESG risk assessment to reduce risks and prepare for the transition to a low-carbon society. The Bank has taken steps to mitigate the impacts on both its operations and loan portfolio management.

- To continuously assess climate risks through the Task Force on Climate-related Financial Disclosures (TCFD) to analyze potential impacts across various scenarios, opportunities, and guidelines employed by the Bank for managing climate-related risks.

- To establish strategies and guidelines for reducing greenhouse gas emissions from the short term to the long term across Scopes 1 and 2 of the Bank's business operations and assets, as well as Scope 3, reflecting the greenhouse gas emissions of its customers, with the aim of achieving net-zero greenhouse gas emissions.

- To develop knowledge and understanding of ESG for relevant personnel, such as training on Carbon Credits and Scope 3 greenhouse gas emissions, creating E-learning modules on ESG, and organizing ESG activities across three dimensions: ESG Awareness, ESG Knowledge, and ESG in Action.

- To establish an ESG Working Group and define an ESG Risk Infrastructure plan to prepare a transition plan that is in line with the guidelines of the Bank of Thailand (BoT) to help the business sector adapt and achieve concrete results. An operational framework and risk management strategy are established, and each industry is supported according to the Thailand Taxonomy criteria.

- To develop and establish guidelines for sustainable banking operations, including Responsible Lending Guidelines, loan customers must assess environmental, social, and governance impacts using an ESG Checklist. The Bank establishes an Exclusion List, which includes a list of loan applicants or activities for which credit support is not provided. Additionally, the Bank establishes an Inclusion List, which comprises businesses or projects eligible for loans and align with the Bank's environmental, social, and governance goals. These may include loans for energy conservation, loans for entrepreneurs with good governance practices, loans aimed at job creation, and initiatives that enhance the overall quality of life and economy of the country.

- The Bank has been regularly monitoring conditions and assessing risks arising from adjustments for affected customers. The evaluation is conducted at the regional, industrial, and individual customer levels to consider providing corrective measures to assist customers.

- The Bank has prepared a Transition Plan for customers in affected industries and those in the supply chain to assist them in adapting and continuously monitoring the impact, with the aim of promptly reducing the proportion of affected industries in the Bank's portfolio.

Risks from Sustainable Finance Landscape

Details of Risk

Amidst the transition trend towards businesses that take into account society and the environment, financial institutions are playing a key role in addressing this challenge. They provide capital to businesses that will help the business sector adapt to the transition and support Thailand in achieving its goal of reducing greenhouse gas emissions.

Currently, transition funding allocations fall significantly short of demand, hindering the ability of the international community, including Thailand, to adapt promptly. According to the International Energy Agency (IEA) report, investment for the transition remains at only 30% of the required amount. Additionally, global trends indicate shifts in policies, principles, and the emergence of sustainable financial products.

Sustainable finance in Thailand is in its infancy, comprising a minuscule portion of the market. Regulators are initiating the development of principles, operational criteria, and innovative tools to foster the growth of sustainable finance. Additionally, investors are increasingly prioritizing business operations that integrate ESG principles, and they anticipate banks to adjust and create financial products aligned with sustainability to meet international standards and customer preferences.

Being a state-owned commercial bank and a frontrunner in the country's banking sector, our institution thrives on crafting innovative financial products and services tailored not only to our loyal customers but also extending our reach to citizens nationwide via our Digital open platform. With this commitment, we aspire to lead the way in sustainable financial product development and embrace emerging standards and tools as they evolve.

Changes that have occurred may affect the Bank as follows:

- Studying and developing financial products for sustainability that respond to customer needs is crucial. If the Bank is unable to develop such products in a timely manner or cater to customer needs adequately, it may adversely affect the Bank's competitiveness.

- Establishing clear definitions and criteria for sustainable loans is essential, ensuring they are appropriate and supported by reliable principles, while also considering environmental, social, and human rights impacts. The Bank may encounter risks in this process due to the novelty and evolving nature of the issue. Currently, there are definitions and criteria in place for green lending activities, primarily supporting the transition to green activities within the energy and transportation sectors only (refer to Thailand Taxonomy, Issue 1).

- The Bank may be unable to precisely identify, evaluate, or monitor customers' credit utilization for green loan purposes. Furthermore, there is no established procedure to halt the granting of loans if they no longer meet the criteria for being classified as green loans.

Impact

Krunghai Bank, a state-owned commercial bank, prioritizes the creation of financial products and services tailored to the needs of its customers and the general public who utilize its services via the Digital open platform. Consequently, the Bank must endeavor to develop sustainable financial products in accordance with relevant rules and regulations promptly and effectively. These considerations significantly influence its competitiveness relative to other banks. Moreover, the Bank's definition and criteria must align with internationally recognized standards to ensure the provision of sustainable loans to customers or projects genuinely dedicated to environmental and social causes, thus preventing unintentional greenwashing that could tarnish its image and reputation. Compliance with criteria mandated by government agencies is essential to evade penalties for inadvertent negligence in supporting green initiatives and to seize opportunities to endorse projects or activities that foster positive societal and environmental impacts.

Mitigation Measures

The Bank, in response to stakeholders' expectations, conducted a study on international standards concerning sustainable financial products. It has broadened its approach and implemented novel tools like the Thailand Taxonomy to establish criteria for issuing green loans. Here's how the Bank proceeded:

- The Bank is actively engaged in studying and developing a diverse range of products and services tailored to meet the needs of customers across all business tiers. These offerings include ESG-linked derivatives designed for large enterprises, loans aimed at enhancing production efficiency and mitigating greenhouse gas emissions, as well as the Krungthai Loan for Sustainability tailored for small and medium-sized business clients (SMEs). Moreover, the Bank has devised a comprehensive product and service development roadmap aligned with the principles outlined by the Bank of Thailand. Currently, the Bank is in the process of developing various products such as Sustainability-Linked Loans and Green Loans to cater to customers seeking funding for environmentally friendly and sustainable projects, etc.

- The Bank has created a pilot model for issuing products to raise funds, such as Green Deposits, Green Bonds, or derivative instruments to support environmentally friendly loans, etc.

The Bank is in the process of preparing the Green Loan Framework and the Green Financing Framework. This plan will be reviewed and certified by external assessors for compliance and meeting international standard criteria, with details as follows:

- The Green Loan Framework plan integrates indicators aligned with international standards, such as the Green Loan Principles of the Asia Pacific Loan Market Association (APLMA) and the Loan Market Association (LMA), alongside

activities supporting transition as per the Thailand Taxonomy framework. This framework aids in establishing the Eligible Green Loan Criteria for businesses or projects eligible for support through green loans. It streamlines the assessment of activity intensity and plans for discontinuing or transitioning specific activities. The Green Loan Framework must adhere to four main elements: 1) the purpose of fund utilization, 2) the process for evaluating and selecting projects, 3) management of granted funds, and 4) reporting. This ensures the Bank has explicit qualification criteria for green loans and facilitates the preparation of the Green Financing Framework.

- The Green Financing Framework plan aims to establish a clear format and process to support product release that aligns with international standards such as the Green Bond Principles of the International Capital Market Association (ICMA). The Green Financing Framework must consist of four main elements: 1) details of fund utilization from fundraising, 2) project evaluation and selection process, 3) fund management from fundraising, and 4) reporting. This ensures depositors or investors that the Bank has a fund management process in place to support green loans according to true standard criteria.

- The plan to establish a policy to reduce lending to certain types of businesses (phase out) is formulated as a guideline for managing the impact of greenhouse gas emissions from specific sectors. This policy aids the Bank in achieving its objectives of reducing greenhouse gas emissions.

- In addition, the Bank has required verification from external agencies when granting green loans according to the Green Loan Framework and Green Financing Framework, or has prepared the Second Party Opinion to ensure that green loans are appropriate and meet the specified criteria.

Central Bank Digital Currency Risk

Details of Risk

The Bank of Thailand (BoT) is currently developing a Central Bank Digital Currency (CBDC) with features akin to the Baht currency, enabling its use for legal debt payments while maintaining a stable value. Initially intended for distribution through financial institutions, the CBDC does not accrue interest on deposits and will have holding limits, potentially introducing various risks to the Bank, including:

- Should the market witness a notable surge in demand for CBDC, it could impact both the adequacy of CBDC for the Bank and the market, potentially affecting the Bank's liquidity concerning CBDC.

- The Bank cannot currently provide an estimate of the expenses needed for developing a system to facilitate CBDC intermediation, encompassing technology access and cyber security management, which may escalate due to digital currency usage.

Impact

Risks stemming from digital currency can have an impact on the Bank's finances as follows:

- The lack of liquidity of CBDC requires the Bank to secure additional funding and recycle it in the form of CBDC to prevent disruptions in business operations. This requirement could influence the financial costs incurred by the bank.
- Despite the high costs associated with studying and developing a system to support CBDC intermediation, it is imperative for the Bank to develop the system promptly to retain both CBDC customer base and deposit customers.

Mitigation Measures

The Bank plans and follows up on digital financial risk assessments to adopt a preventive approach and evaluate ways to reduce the impact of risks.

- The Bank's relevant departments closely monitor the progress of the project, study the possibilities and potential impacts on the Bank, and develop an action plan to cope with such changes, such as researching and procuring technology to enhance the Bank's systems.
- The Bank has assigned relevant functions to oversee CBDC liquidity upon its introduction into the Thai financial system and has established a ceiling or trigger mechanism to control liquidity risk at an acceptable level, which includes providing regular liquidity status reports.
- The Bank continues to add scenarios to test stress conditions of liquidity risk, to understand the impacts, and to prepare measures to support cases where the Bank cannot mobilize deposits at the original level. Additionally, the Bank is preparing a liquidity contingency plan to manage crises effectively, thereby reducing the negative impact of liquidity issues in a timely manner and at a reasonable expense or cost.
- The Bank is actively seeking partners to collaborate on enhancing capabilities in developing new technologies or business models.

Geopolitical Risk

Details of Risk

Geopolitical risks arising from the escalation of wars in specific regions around the world are likely to intensify, thereby impacting the Bank's business operations in those regions. Consequently, the Bank cannot formulate effective investment plans. Additionally, protests and rallies have the potential to cause damage or disrupt operations, resulting in delays.

Impacts

Currently, the Bank conducts its business through branches in many countries, including China, Singapore, Cambodia, Laos, and Myanmar. Although these countries are not directly affected by geopolitical issues, if the situation becomes more serious, the Bank's operations in regions with geopolitical issues may be disrupted. This could lead to damage

to the Bank's assets due to protests, hindering employees' effectiveness and impeding the execution of the business plan. Consequently, the Bank's income and profits may decrease, potentially resulting in losses due to incurred damages.

Mitigation Measures

The Bank consistently monitors conditions and evaluates risks, conducting both environmental, social, and governance due diligence (ESG Due Diligence) as well as a thorough human rights due diligence process. This enables the Bank to address various forms of risks and offer guidance to affected customers.

Polycrisis Risk

Details of Risk

Various crises currently occurring can trigger a chain reaction, posing a challenge that the Bank must prepare for and adapt to. These include situations such as the climate change crisis, emerging epidemic crisis, shortage of natural resources crisis, political issues, and human rights violation issues. These crises amplify the risk of rapid inflation, with wide-ranging impacts that can lead to debt crises at the household, private organization, financial institution, or even the national public debt levels. New Economy Risk arises from the delay of adaptation to New Economy, as an economy which is driven by innovation, technology and creativity with considering the sustainability, both social and environmental factors together with Regional Connectivity. These include digital transformation or the economy changes as relates to rapid digital transformation, driving new economy.

Impact

The Bank has been affected by the crises in multiple dimensions due to the quality of its customers, both domestically and internationally. Customers can be classified as follows:

- Business customers are affected by the geopolitical crisis, such as a lack of export revenue in countries subject to sanctions, resulting in a lack of liquidity and incompetence to repay bank debts as scheduled, or the control of goods importation, resulting in higher raw material prices and lower profits. Consequently, the ability to repay debts decreases. The lack of adaptability to new economy and regional connectivity results in weaken customer's ability to pay.
- Retail customers are directly affected by the crisis of higher living costs, resulting in a decrease in customers' ability to repay debts.

Mitigation Measures

Such crises are difficult to predict and can impact the entire world, making advanced preparedness essential. The Bank prepares to address risks stemming from crises across multiple dimensions through a strict, careful, and timely credit risk management process aligned with principles of good governance. The specific measures are classified as follows:

- The Bank's loan approval strictly complies with policies, guidelines, and credit approval authority, taking into account environmental factors, climate change, business operations with respect for human rights, and relevance to current situations such as war, sanctions, and various rules and regulations affecting the Bank's customers.

- In monitoring the quality of loans, the Bank employs proactive credit quality management techniques. This includes forecasting loan quality on a weekly basis and presenting it to the management team for consideration. The aim is to devise strategies to prevent bad debts from occurring, such as proposing debt restructuring tailored to the borrower's repayment ability and providing advice to customers before liquidity shortages arise.

- The Bank considers the classification and additional reserves for vulnerable customers and customers showing signs of deteriorating loan quality through the approval of the Override & Overlay Management Committee on a monthly basis. This ensures that the Bank will have sufficient reserves to absorb future risks.

- The Bank regularly conducts stress testing, taking into account the coverage of all significant risks, including environmental, social, and governance factors. This comprehensive approach considers potential risks to ensure that funds are appropriately managed under both normal economic conditions and during periods of drastically changing economic environments.

- In addition, the Bank collaborates with all groups of partners, including both public and private agencies, through its 'Total Solutions' approach to develop products and services that encompass all aspects of customers' lives. This strategy ensures a direct and comprehensive response to customers' needs.

- The Bank regularly adheres to the new challenges to consider the loan approval appropriateness to be in alignment with the new global context, including new economy and regional connectivity. This ensures an accurate assessment of the impact from the change of social's behavior and structure.

2.2.2 Credit Risk

The Bank has constantly placed an emphasis on credit risk management covering both in the customer level and in the portfolio level. It has a process to manage risks that may cause damages arising from the counterparties failing to perform in compliance with the covenants as stated in the contract agreement; including the counterparties' credit rating getting diminished which shall cause adverse effects over the Bank's income and capital funds level. The risk management system of the Bank is formed with major procedures, namely Risk Identification, Risk Evaluation, Risk Monitor and Control and Risk Report. Various statistical tools are used to regularly analyze risk levels in

the customers level and portfolio level and analyze credit risk impacts according to TFRS9 accounting standards. The tools are also used to determine the Bank's risk appetite in order to be used for stipulating the Bank's credit business strategy and to set its target customers.

The Bank has continuously conducted credit risk management and monitoring, such as reviewing customer risk ratings to reflect current risk levels, monitoring of credit quality approved through Loan Factory, setting criteria for credit terms, setting Standards Credit Term and Condition for large corporate loan customers, as well as underwriting criteria or product program for retail customers and SME-M loan customers, etc., including the regular review and improvement of credit risk management policies and guidelines. This is to develop competitiveness, encourage business growth and monitor risks within acceptable limits. The credit risk management is classified by group of customers as follows:

- **Retail Loans and Small Business Loans**

The Bank has developed and revised underwriting criteria and product programs for retail loans to ensure they are appropriate and aligned with the strategic plan for the Bank's business operations, the current industry situation and competition, and in accordance with the regulations or announcements of the Bank of Thailand or relevant regulatory agencies.

The Bank has regularly revised the criteria, borrower qualification, maximum loan limit, ability to repay debts, and various conditions, to comply with market competition conditions, changes in technology, or changing behaviors of consumers, as well as new product launching. Also, the Bank has improved tools for risk assessment of the borrower's credit, and created sustainable business competitiveness. However, housing loans continue to focus on providing loan customers under the country's leading real estate developers with the support. Most of the personal loans are provided to officers of government agencies and state enterprises as well as agencies that have agreements with the Bank, they are customers with good quality and low risk. Products for small business loans have been developed in line with the Bank's strategy to continuously promote and expand credit to SME customers.

- **Medium Enterprises Loans and Corporate Loans**

The Bank has the efficient systems and tools to access, control, monitor and report the quality of debtors, in both individual customer level and portfolio level by improving and developing a working process for early risk warning in a timely manner through Early Warning System (EWS). There is three alert system for customer care staff to allow them to adjust management according to the customer's risk level. The system classifies SME-M customers (EWS for SME-M), SME-L customers (EWS for SME-L) and large corporate customers (EWS for Wholesales). The system will send alert signals about customer behavior that are processed using accurate statistical

models, including defining workflow for considering and monitoring according to the level of risk occurred, and link the relationship with the review of automatic credit limit renewal through the Credit Review (CR) system.

For SME-M loan customers (Size M), the Bank has a system to oversee loan customers from the beginning phase of loan withdrawal. The Bank also provides a full-fledged procedure to daily monitor customers until reaching the date of debt repayment or annual loan renewal. These three systems, namely EWS, CR, and TA, are coordinated and associated in the form of an end-to-end process.

The EWS system also provided a function to notify and monitor customers' daily risk, for example, indicating recent 12-month risk history, reporting the day-past-due payment in each debt period (DPD Splitter) classified by loan department in order to monitor and control credit quality, monitoring the compliance with credit line usage conditions, the notification of loan renewal and credit review as well as the notification of credit rating review. This includes the notification to update customer classification according to the Single Lending Limit (SLL) criterion in order to notify the credit officers to monitor and review customers' credit risks in all aspects, i.e., finance, liquidity, business operation, repayment ability monitoring and review, financial statements, use of credit limit and credit conditions. The Bank scheduled the frequency of credit review in compliance with the quality of debtors.

If any factor signals an increased risk, a review shall be made before due. It resulted in appropriately monitoring and managing such customer groups' risks by using up-to-date information. The Bank could also increase opportunities to offer appropriate loan products to quality and potential customers based on their actual needs. This also aids in ensuring efficient monitoring of credit policy compliance.

For SME-L and wholesale customers, the Bank has a credit rating process as a tool for credit approval, credit portfolio management, including setting a loan interest rate to suit the risk level of each customer. Furthermore, the Bank also has a process to control and monitor credit risk rating of major customers by the customer group according to Single Lending Limit (SLL) prescribed by the Bank of Thailand regulation. Such process was conducted through Credit Exposure Monitoring (CEM) that is monitoring single risk, SLL counterparty risk and industry risk. Results of Credit risk covered 4 types of transactions: loans, investment, contingent liabilities and credit-like transactions. This also embraces the transactions made with the financial business group to reflect all credit risks of the customers that the Bank and its financial business group are facing. Meanwhile, the Bank has established additional internal guidelines for controlling exposure of major customers at the customer group level. This covers indirect exposure from receiving bonds or

debentures issued by such customers to be used as collateral for credit by other customers of the Bank. This is to enhance the Bank's risk control to be more stringent.

The Bank also places importance on systematic management of qualitative and quantitative databases by creating a large credit risk data mart which collects and stores big data from databases within the Bank. The Bank utilized credit risk data mart to develop statistical models for credit risk rating process of customers so as to monitor and review credit quality/risk. The data used are, for example, loan approval data, debt repayment behavior data, credit quality data, including data used to test and monitor the effectiveness of models and tools used in the Bank's credit risk management, in order to be able to continuously test and monitor the performance of the model and comply with the regulations of the Bank of Thailand.

The Bank developed Industry Direction report or the classification of industrial groups in line with the risk level in order to set a guideline in managing credit portfolio of industrial groups as well as provide stress tests to assess effect of credit portfolio and capital adequacy. The Bank also monitors/reports risk management results so as to control credit risk to be in accordance with credit risk management plan as well as followed the policy of risk management supervision by the Bank of Thailand and other respective regulators.

- **Credit Concentration Risk**

The Bank pursues policy on assessing risk from credit concentration, investments, contingent liabilities, or credit-like transactions made available to customers and customer groups as prescribed in the regulation prescribed by the authority. Inclusively, the Bank also sets the sector limit of transaction volume for each category of industry and country limit of transaction volume so as to manage risk diversification and control significant credit concentration. With a close monitor for risks, the sector limit of respective industry shall be reviewed annually.

Besides, the Bank manages country risk by determining a lending limit for each country in order to control the counterparty risks and credit risk, investments, as well as the contingent liabilities for customers or counterparties who have a domicile in foreign countries. The Bank also controls the risks by stipulating to report credit line usage of agencies at the end of every month in order to manage credit usage not to exceed the maximum limit. Additionally, the Bank has a process to access each country's reliability by using credit rating from the leading international credit rating agency.

As of December 31, 2023, loans to government and state enterprise registered at 15% of total loans, as the low-risk segment according to regulator's guidelines. The loans portfolio was diversify with consideration of the prudent expansion in the strategically focused segments for a justified risk adjusted return to the Bank.

- **Counterparty Credit Risk**

Counterparty Credit Risk refers to a risk that is a loss arising from the default event of a counterparty in financial contracts. For example, the financial instrument is not traded or the compensation for any damage is not given as agreed. For Over-the-counter such as Derivatives, Purchase and Sale of Securities and Repurchase Agreement (Repo), its risks of a counterparty can cause main risks, namely pre-settlement risk and settlement risk as well as the risk from decrease in credit quality of a counterparty or Credit Valuation Adjustment (CVA) risk.

The Bank set credit limits to prepare for both pre-settlement risk and settlement risk by considering factors such as financial status and credit rating of counterparties as well as controlling and monitoring transactions not to exceed daily credit limit. Moreover, the Bank uses Sensitivity Analysis to test the impacts on counterparties if a crisis arises and reports to the Risk Oversight Committee on a monthly basis. In addition, the CVA Charge is charged in pricing of derivatives transactions with counterparties.

The Bank reduces the risks of counterparties caused from signing International Swaps and Derivatives Association (ISDA) and Credit Support Annex (CSA) with counterparties. These require placement of collateral in the form of cash on a daily, weekly and monthly basis, depending on conditions, type of transaction or counterparty, in the event that the fair market value of derivatives contract deviates beyond an agreed threshold.

- **Non-performing and Financial asset Commitment Impairment Risk**

The Bank is aware of preventive and control measures for Non-Performing Loans (NPL) in a strict manner. It determines and controls the amount of NPL to a level acceptable to the banking business, ensuring it does not significantly affect the Bank's financial position. The Bank sets this as a Key Performance Indicator (KPI) at both the corporate and credit-granting team levels for prudent control from the outset of lending, including the maintenance of debtors to be more effective, with a debt restructuring process that fits business needs. In addition, the Bank has preventive measures for NPLs, or Prevention Plans, to support and assist debtors who still have business potential but temporarily lack financial liquidity to continue operating. NPLs are also prevented through regular monitoring and controlling of debtor quality. This includes developing and improving a debtor risk assessment tool that is more efficient. The tool can better analyze and predict debtor quality, allowing the Bank to more easily identify and select good debtors, thus preventing new NPLs more effectively.

2.2.3 Market Risk

Market risk refers to the risk that the Bank may incur loss from changes in value of the position stated in

the statements of financial position, caused by fluctuation of interest rate, foreign exchange rate, equity price, and commodity price resulting in negative impact on the Bank's income and capital funds.

Cluster Risk by Market Risk Management Department, which is independent from the Front Office, to control risk with the purpose of ensuring transparency, accuracy and effectiveness (Check and Balance), as well as compliance in and meeting the market risk supervisory guideline of the Bank of Thailand and the market risk management policy of the Bank. In this regard, risk limit or risk appetite have been stipulated, for instance trading book position shall be monitored based on value/ investment position, highest loss, the statistical indicators as Value at Risk (VaR) and Sensitivity, while the banking book position shall be monitored based on the risks of net interest income change and economic value change by formulating clear guideline and practice for accommodating the exceeding of approved risk tolerance level; appraising price according to market price and regularly performing stress testing. Additionally, the Bank provides a product program and product assessment for making the new derivatives transaction, improves the form of report, working system and tools for evaluating and controlling risk to be effective and supports the further complex transactions.

In 2023, the trading book risk was still under the limit or the approved risk tolerance level.

- **Interest Rate Risk in the Banking Book**

Interest rate risk refers to the risk that the Bank's income or capital funds are adversely affected by changes of interest rates on all the assets, liabilities and off-the statements of financial position that are rate sensitive items. Such risk might have a negative impact on net interest income, market values of items in trading accounts and other income and expenses related to the interest rate.

However, the Bank has monitored and controlled interest rate risk within acceptable risk appetite by formulating risk limits and indicators, conducting stress testing on quarterly basis, requiring to present the interest rate environment as well as the economic condition, money and capital market of both domestic and international countries to the Assets and Liabilities Management Committee. It is also required to present risk management report to the Risk Oversight Committee on a monthly basis. Hence, the Bank also formulated guidelines to ensure readiness when dealing with the breach of each prescribed limit as per approval.

- **Interest Rate Risk in the Trading Book**

Interest rate risk in a trading book refers to the risk that income or capital funds are negatively impacted due to the change of interest rate affecting debt instrument value and interest rate derivatives in the trading book. However, the Bank has monitored and controlled interest rate risk within acceptable

risk appetite by formulating risk limits and indicators, performing stress testing on monthly basis, requiring presenting a risk management report to the top executive on daily basis and to the Risk Oversight Committee on monthly basis. Additionally, there are the formulated support guidelines to ensure the readiness in dealing with the breach of prescribed limits as per approval.

- **Foreign Exchange Rate Risk**

Foreign exchange risk refers to income or capital funds adversely impacted from exchange rate volatility that occurred from the foreign currency transactions and foreign currency assets and liabilities. When converting all items on the financial statement to Thai Baht, it results a decrease in the Bank's asset value. In this regard, the Bank had monitored and controlled foreign exchange risk within acceptable risk appetite by formulating risk limits and indicators, performing stress testing on a monthly basis, requiring preparing risk management reports and presenting them to the top executive on a daily basis and to the Risk Oversight Committee on monthly basis. Additionally, there are the formulated support guidelines to ensure the readiness in dealing with the breach of prescribed limits as per approval

- **Equity Price Risk**

Equity price risk refers to the risk arising from changes of equity securities prices or stock market index giving an adverse impact on income or capital funds, resulting in declining value of trading book of investment securities for trading.

The Bank had monitored and controlled equity price risk within acceptable risk appetite by formulating risk limits and indicators, performing stress testing on monthly basis, requiring presenting risk management reports to the top executive on daily basis and to the Risk Management Committee on monthly basis. Additionally, there are the formulated support guidelines to ensure the readiness in dealing with the breach of prescribed limits as per approval.

- **Commodity Price Risk**

Back-to-back Commodity price risk refers to the risk arising from changes of commodity prices that gave an adverse impact on income or capital funds. At present, the Bank has no policy regarding positions taking, the Bank managed the risk by using a back-to-back approach.

2.2.4 Operational Risk

Operational risk refers to the risk arising from the lack or deficit in proper internal control, people, and the Bank's system or external event. Moreover, it also means legal risk, excluding strategic risk and reputational risk.

The Bank oversees operational risk management by adhering to three Lines of Defense approach as follows:

First Line of Defense: Business units and business supporting units have a good understanding of risk arising in the work process and risk in their own unit. As risk owners,

business units and business supporting units have a duty to identify, assess, control and monitor risks as well as reporting to their respective managers. Each department has an Operational Risk Officer (ORO) who coordinates with the Operation Risk Management Department who oversees operational risks both regarding tool usage and risk management in accordance with the guideline as specified by the Bank.

Second Line of Defense: Business units which are responsible for overseeing risk and monitoring other aspects, providing tools and methods, guidelines and procedures to the First Line of Defense to use in risk management and work with the First Line of Defense and the Third Line of Defense as a partner in order to achieve risk management according to the specified strategy.

Third Line of Defense: Audit departments are in charge of auditing and testing business processes and risk management processes to assure the Committees that the Bank's risk management and internal control system are effective.

The Bank has standardized risk management guidelines, which focus on improving the process to prevent and manage risk in a timely manner before it causes damage to the Bank and customers. Business units in the Bank engage in operational risk management, which consists of assessing, controlling, monitoring and systematically reporting by using tools such as Operational Loss Incident collection, Risk Self Control Assessment (RCSA) and Operational Key Risk Indicator (KRI).

Hence, the Bank has set Risk Appetite and Risk Tolerance in monitoring the Operational Loss Data, which shall be reviewed annually or during the year in case there is a significant change in the risk profile, in order to be in line with the Bank's strategic plan and appropriately manage operational risks. Regarding the monitor and escalation, the process is clearly defined. Weekly and monthly monitoring will be conducted. In addition, a Risk Dashboard will be presented, which contains risk analysis of significant incidents, concerning cause, failed control and additional control/possible area for improvement (if any) so as to close the gap of incidents. Report the monitoring on the effectiveness of the implemented control measures to the Management Committee (MC) and the Risk Oversight Committee (ROC) on a monthly basis. In conclusion, this process has been carried out continuously.

In regard to the Risk Control Self-Assessment (RCSA), it refers to a risk assessment process and existing control measures used in the operation of each transaction/service of the business unit designed for the improvement to have proper and adequate controls. This is to assure the supervisors at all levels that the works under their responsibilities will achieve the defined objectives. There is the stipulation regarding the guidelines or risk control measures, if necessary, to increase efficiency and effectiveness in works under responsibility. Each business unit must

continuously review the risks arising from its duties and responsibilities related to operational risk management.

Efficient risk monitoring helps the Bank to prevent potential risks and control potential losses in a timely manner. Therefore, the Bank has determined that the business units must have operational key risk indicators (OR-KRI) for risk monitoring and reporting. Each business unit's KRI must be determined/reviewed and the KRI report must be submitted to the Operational Risk Management Department through designated channels on a regular basis. The type of KRI required and the frequency of monitoring depend on the complexity and potential risks of each business unit. In addition, the aforementioned KRI reporting shall be summarized and prepared as an OR-KRI Monthly Dashboard to present to the executives of the relevant Groups for the risk status of the business unit as well as planning management and formulating effective operational risk management strategies in accordance with the operational risk management guidelines set out in the Bank's operational risk management policy and handbook.

In addition, the Bank has established enterprise-level Key Risk Indicators (KRIs) to monitor Operational Risk as a whole. These KRIs are presented through the Risk Dashboard to provide a clear picture for monitoring the Bank's risks.

The Bank has delegated the policies and regulations for the business unit that wish to use outsourcing services, which covers the guidelines for selecting service providers, assessment and determination of guidelines for controlling risks that may occur from using outsourcing services. A process for monitoring and evaluating the service rendered by the external service providers must be defined within the specified period.

Nevertheless, the Bank has stipulated a Business Continuity Management process that requires the Bank to develop a Business Continuity Plan that covers emergencies or crises that may affect business operations and outsourcing services. The plan is divided into organizational level and main transaction level for instance, during a pandemic, fire emergency, flood. It is required that the plan be tested and reviewed annually, to support critical incidents to ensure that external service providers are able to deliver services to the Bank as specified.

The Bank has continued to build awareness related to operational risk management by producing articles to communicate knowledge on operational risk management, such as general knowledge on operational risk management, risk management processes and tools, Risk Control Self-Assessment (RCSA), Key Risk Indicators (KRIs), reporting on Operational Loss Incident, and knowledge of business continuity management. This ensures that employees are prepared to perform their duties when any crisis occurs. Additionally, a Chatbot has been created on One Krungthai to provide a communication channel for employees to easily inquire about operational risk

management, and provide employees with knowledge. The Bank evaluates satisfaction and gathers feedback to further improve communication guidelines for the following year.

2.2.5 Other related risks

• Liquidity Risk

Liquidity risk is the risk emerging from the Bank's failure to repay liabilities or obligations on due date because of inability to liquidate assets into cash or having insufficient funds or acquiring funds at a higher unacceptable cost, thus affecting income and capital funds.

In 2023, the overall liquidity in the money market remained high. However, the Bank released a deposit product to maintain its customer base. As on 31 December 2023, the Bank's liquid assets, namely, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) was higher than the requirement specified by the BOT.

The Bank has established a liquidity risk management policy and process in accordance with the Bank's strategy, market condition and BOT's liquidity risk management guidelines. The key processes of liquidity risk management are as follows:

1. Risk Identification

Liquidity Risk Management can be done by analyzing a source of risk from the balance sheet structure aimed at identifying the Bank's liquidity risk. The Bank will analyze source and destination of liquidity used as well as the ability to transform assets into cash.

2. Risk Measurement

Liquidity risk can be measured from estimating cash flow and off-balance sheet for analyzing liquidity gaps or financial ratio analysis for knowing the tendency of liquidity risk. Moreover, the Bank also sets a survival period that the Bank can sufficiently manage liquidity under critical situations specified by the Bank.

3. Risk Trigger and Risk Control

The Bank controls liquidity risk by assigning duties and responsibilities for related departments in monitoring the liquidity and consistently reporting to the assigned committee. The Bank also specifies liquidity risk triggers for both Thai Baht and significant foreign currencies approved by the Board of Directors in order to control the liquidity risk to risk appetite level.

4. Risk Monitoring and Reporting

The Bank consistently follows up and reports liquidity conditions to the assigned Committee, top executives and related departments for acknowledging the existing risk condition and risk level in order to prepare sufficient source of funds or to reduce the risk of lacking liquidity.

In addition, the Bank quarterly conducts liquidity risk stress testing in accordance with the stress testing policy framework of the Bank by using 3 types of situations set up by the Bank, namely (1) Institution-specific crisis, (2) Market-wide

crisis and (3) Crisis stemming from a combination of both. In each situation, there shall be an assumption of the withdrawal of each type of customer deposits in different proportions, a decrease of liquidity in the liquid assets market, a decrease of the ability to access large sources of source of funds, etc. Moreover, the Bank has adjusted the data to conform with the actual behavior in both normal and crisis situations. Additionally, a liquidity emergency plan has been prepared in case of any crisis by considering the result of the stress test in each situation and setting the indicator for liquidity crisis warning. Therefore, the Bank can promptly reduce negative impacts from liquidity problems with reasonable expense or cost.

- **Capital Management**

The Bank has been managing capital funds, both for the Bank and for the Financial Business Group, in compliance with Basel III requirements as prescribed by the Bank of Thailand (BOT) since 1 January 2013.

The three pillars of Basel III Capital Framework are as follows:

Pillar I Minimum Capital Requirement: The Bank is required to set out capital requirements covering credit risk, market risk and operational risk.

Pillar II Supervisory Review Process: The Bank is required to hold a higher level of capital than the minimum requirements in Pillar I in order to accommodate for all risks that the Bank shall face in both normal situations and stress events. The Bank is required to have good risk management by performing Internal Capital Adequacy Process (ICAAP) while concerning all its risks and conducting stress tests appropriately.

Pillar III Market Discipline: The Bank is required to disclose information on its capital requirements, level of risks and risk management system to the public so that the outsiders and stakeholders can use such information to analyze and assess the Bank's risk. Apart from the Bank's internal control and the supervision of the Bank of Thailand, the disclosure is an essential market mechanism that forces the Bank to have an effective risk management system.

The Bank has always been operating in compliance with risk management standards and overseeing capital adequacy according to BOT's regulations and international guidelines. Stress tests covering significant risks in both normal and stressed situations have been carried out to evaluate the effect on capital adequacy. The Bank has studied the effect of Basel III for the purpose of capital planning and setting the Bank's dividend payout policy.

As at the end of 2023, the Bank's capital adequacy ratio (The Bank's Financial Business Group) was 20.71%. After stress testing, CAR was higher than the minimum requirement set by BOT. This result reflected the Bank's strong capital fund, which was capable of accommodating business expansion and possible

risks stemming from changes in economy, society and regulations.

As for the BOT consolidated supervision requirement, the Bank submits a report on capital adequacy of the Financial Business Group to BOT quarterly and discloses information on capital fund and risks of the Financial Business Group as scheduled on the Bank's website. In this regard, the Bank and its Financial Business Group's capital adequacy was higher than the minimum requirement of BOT.

However, the Bank of Thailand and commercial banks have been considering the revision of risk weighted asset calculation covering credit risk, market risk and operational risk in order to comply with the Framework of Basel Committee on Banking Supervision (BCBS) in the future. In this regard, the Bank has performed Comprehensive Impact Assessment (CIA) in terms of quantitative and qualitative aspects so as to prepare for business operation in the future.

- **Reputation Risk**

Reputation risk refer to risk stems from the public's perception of the Bank's negative image or lack of confidence in the Bank as the Bank's main business involves providing services to the public, which includes customers, partners, investors and regulators. While the communication network at present allows quick spread of news and exchange of information, it is also a channel to spread rumors and comments the public may have about the Bank, including information on the Bank's financial strength and creditability. This reflects the Bank's image and the stakeholders' confidence in the Bank, and its sustainability, which may have an impact on the Bank's revenue and/or capital fund both at present and in the future.

Reputation risk may result from operational risks due to the non-compliance with the regulations of the government/regulators, acting against the ethical practice or social expectation or business standards, violating terms and agreement or providing unfriendly services to customers.

The Bank manages reputation risk in addition to other important risks. A guideline for reputation risk management has been established and reviewed as per schedule or whenever there is a significant change. As for risk management procedure, the Bank has defined Key Risk Indicator for Reputation Risk (RR-KRI) as well as Risk Appetite and Risk Tolerance to use in monitoring risks in accordance with the specified indicators. A report is submitted to the Management Committee (MC), the Risk Oversight Committee (ROC) and other relevant committees on a monthly basis.

- **Strategic Risk**

Strategic risk is the risk generated from inappropriate strategic planning, operation plan and implementation, or not in line with internal factors and external environment, producing undesirable impacts on income, capital funds or business.

The Bank continued to operate its business with caution and attached importance to action plans and risk management, which can be summarized as follows:

1) The Bank's measures for strategic risk management are in line with Bank of Thailand's examination guideline and are monitored by the Risk Oversight Committee. Policies and guidelines on strategic risk management are devised and reviewed annually.

2) The strategic planning process was comprehensive and in line with the policies stipulated. Procedures and persons involved as well as time frame were clearly specified. Committees and top executives of the Bank and its affiliated companies participated in establishing the strategic plan. Emphasis was placed on reviewing and formulating policy frameworks, visions, missions, strategic plans and the Bank's business plan, which has been approved by the Board of Directors. There was transformation of the plan into actual practice and communication of the plan to executives of all business units. Meanwhile, the monitoring process is carried out to ensure that they are implemented in order to achieve the goals of the organization.

3) The Bank's strategic plan is appropriate for both internal and external environments. It focuses on using real data and analyzing in comparison with the Bank's and peers' targets. SWOT Analysis was performed to determine further strategies to enhance the strengths, rectify the weaknesses, capture business opportunities and prevent any threats from external pressures. These were combined into the Bank's overall strategy, both short term and long term, which responds to Vision, Mission and Core Values of the Bank.

4) The Bank monitors and compares its operating performance with the targets regularly, and reports to executives to set strategies to achieve the targets. Action plans are reviewed and adjusted to fit changing conditions.

- **Properties for Sale Risk**

The majority of the Bank's properties for sale risk were impairment of assets, which is caused by the changes of properties condition or environment, for instance physical deterioration of the property, and the decreased price of property after being affected by the current market situation, laws and city plan and utilization of property. These factors affect the Bank's capability to sell. However, the Bank has developed a guideline on minimizing risks as well as monitoring and controlling risks within acceptable limits such as consideration of property purchase or transfer for debt repayment to be appropriate according to property type and property quality, property valuation in a time frame to reflect market price, managing the properties to be ready for sale, setting marketing strategy and reasonable selling price, etc. The objective is to accelerate the selling of Bank's foreclosed properties.

Aside from the risks in impairment or reduced value of assets or depreciation mentioned in the previous paragraph, the Bank still has an obligation to reserve a provision for foreclosed properties that the Bank holds exceeding duration to be in accordance with the regulation on Asset Classification and Provisioning of Financial Institutions and the regulations on holding foreclosed immovable properties in accordance with relevant notifications of the Bank of Thailand.

- **Economic Condition Risk**

In 2023, the Thai economy grew at a slower pace of just 1.9%, down from 2.5% in 2022, with limited recovery relying solely on the driving force of the tourism sector as single main engine. While the influx of foreign tourists has more than doubled compared to 2022, it remains below expectations. Moreover, the per capita spending of foreign visitors lags behind pre-COVID-19 levels, primarily due to the absence of high-spending groups such as Europeans and Chinese who have yet to return to their previous levels. Furthermore, the export sector has grappled with the global economic slowdown, particularly in China, where internal purchasing power remains subdued, and the real estate market is fragile. Simultaneously, global financial conditions have tightened due to the implementation of high interest rates aimed at combating inflation, along with stricter lending practices in numerous countries. This has resulted in diminished demand among trading partners, compounded by geopolitical conflicts and heightened decoupling. These tensions are exemplified by the prolonged Russia-Ukraine war and the Israel-Hamas war that erupted in October 2023. There are concerns regarding energy and commodity prices should the conflict escalate into a confrontation between oil-producing nations and Western powers. These factors exert pressure on Thailand's export sector and also result in a limited expansion of private investments. Additionally, public investment has been affected by lower-than-usual disbursements, especially in the fourth quarter of 2023 due to delays in preparing the Annual Budget Expenditures Act for Fiscal Year 2024. In addition, the Thai economy is also affected by the policy transition towards normalcy, including the gradual ending of government measures to alleviate the impacts of the COVID-19 crisis earlier, the rise in the policy interest rate five times throughout 2023, from 1.25% to 2.50% per year, and the adjustment of the FIDF fee to its original level of 0.46% as of January 2023. These changes have resulted in increased financial costs for the business sector. The business sector is also under pressure from costs related to electricity, labor, and raw materials, while household consumption is challenged by the rising cost of living and higher levels of debt. Additionally, drought resulting from the El Nino phenomenon affects agricultural production, exacerbating economic volatility and uncertainty. The evolving global landscape, particularly the shift towards Thailand's low-carbon society and the advancement towards a BCG economy, poses significant

challenges for the business sector. Amidst these changes, vulnerable groups including SMEs, small businesses, unskilled labor, informal workers, and certain low-income households may struggle to adapt, exacerbating the pressure they face. This presents a formidable obstacle for the Thai economy, which is still in the process of recovery. The Bank has been closely monitoring economic risks and assessing their impacts through stress testing, which covers various scenarios. This process helps mitigate the impacts on the Bank's business operations in a timely manner.

2.3 Shareholders' Investment Risk

Shareholders' investment risk arises when shareholders do not receive the expected return on their investment. The return is in the form of dividends and/or capital gains. The dividend payment depends on the Bank's performance, its dividend payout policy, official's policy change, including economic conditions both domestically and internationally and other factors. The Bank has managed main risks as stated. However, there may be risks other than those specified, which affects the Bank's performance and dividend payment to shareholders and may cause shareholders not to receive expected returns.

Meanwhile, the Bank's share price may increase or decrease, depending on its performance and external factors such as changes in policies affecting the Bank, economic conditions, unusual situations such as the COVID-19 pandemic. These factors may cause share price to decline, putting investors at risk of not receiving the expected returns. Therefore, shareholders should study the risks that may occur and make investment decisions with discretion.

In addition, the Financial Institutions Development Fund is the Bank's major shareholder, holding 55% (as of 31 December 2023) of the total issued and paid-up shares. It is able to vote in the shareholders' meeting. However, important agendas affecting the Bank's operations require three-fourths of the votes of the shareholders' meeting, such as amendments to the Memorandum of Association and the Director Company's Articles of Association, an increase/decrease in registered capital. Furthermore, the Bank appointed the Independent Director Committee to be an important part of ensuring that the structure of the Board of Directors and the Management have sufficient checks and balances. Each independent director can express independent opinions, giving conflicting opinions or making any other observations at the Board of Directors' meeting. The objectives are to protect the rights and interests of shareholders and other stakeholders, promoting the operation of the Bank's corporate governance. As of 31 December 2023, the Bank has 5 Independent Directors out of a total of 10 Directors) Apart from the Independent Director Committee, the Bank also appointed the Audit Committee, which consists of 3 Independent Directors. The Audit Committee focuses on the Bank's internal audit process, financial report review, and considers items that may have conflicts of interest, for transparent business operations.

2.4 Risk of Foreign Securities Investment (In case the issuer is a foreign company)

-None-



Part 1 Business Operations and Performance

3. Driving Business for Sustainability

Krungthai Bank stands by the Thai people as a state commercial bank under the close supervision of the Board of Directors, which is committed to responsible and sustainable business operations based on the principles of good corporate governance. The Bank has appropriate risk management to drive a strong banking and finance system along with enhancing the balance in 3 dimensions, namely environment, social, and governance (ESG). This operation is an important part in improving the quality of life of the people through the development of modern digital technology, combined with the supportive policies from the government sector, together with the implementation of creating shared value schemes that are ready to deliver universal and equal assistance in line with the United Nations Sustainable Development Goals.

Throughout the past year, the Bank conducted its business in accordance with the vision “Growing Together for **SUSTAINABILITY**” and the mission “Empowering **BETTER LIFE** for all Thais” in order to effectively drive the business towards sustainability and achieve success. The Bank has implemented the 2 Banking Models, Carrier and Speedboat. The Carrier aims to increase the efficiency of traditional businesses while Speedboat aims to propel itself into science and new technologies to satisfy all the needs of customers and people amidst the rapid changes. In order to have agility in the operation and meet the needs of new business models and the competition of the future, the Bank has adjusted its operating models to be more flexible. It also joins forces with affiliates and partners to seek opportunities in the challenging digital business world and to become a digital leader at an international level.

In addition, Krungthai Bank always adheres to conducting business on the basis of accuracy, transparency, and striving to be a moral organization, along with developing personnel to have knowledge and skills to meet needs in the digital era. This is a key force in driving the organization to have growth and stable progress, maintaining the level of leadership in the banking and finance business, helping improve people’s quality of life. In addition, the Bank has participated in driving the economy through innovation, in line with the national strategic plan aiming to adjust the existing economic structure to an economic system emphasizing value creation or a Value-Based Economy. This approach covers all four dimensions: 1) Economic Wealth; 2) Social Well-being; 3) Human Wisdom; and 4) Environmental Wellness, ensuring that the country’s economic system is strong and sustainable.

3.1 Sustainability Management Policies and Goals

The Bank has established policy frameworks and practices and has integrated international sustainability challenges, including sustainable guidelines from regulators, as well

as the country’s goals and plans, into its management goals across various dimensions covering Environment, Society and Governance. Details are disclosed both on the website and in the 2023 Sustainability Report. The key points are summarized as follows:

Environment

1. Efficient use of resources and environmental management within the Bank’s operations, covering energy consumption, electricity consumption, water consumption, waste management as well as Scope 1, 2 and 3 greenhouse gas (GHG) emissions and supporting Thailand’s commitment to Carbon Neutrality and Net Zero Emission.

2. Environmental responsibility throughout the Bank’s value chain, including responsible lending, that is, incorporating sustainability concepts into credit criteria. Additionally, the development of financial products and services are environmentally friendly (Green Lending), leading to a trend of reducing the Bank’s Financed Emissions. As a result, this is in line with climate change risk management guidelines.

Society

1. Human resources management, covering labor practice, human capital development, talent attraction & retention, including occupational health & safety, etc.

2. Social responsibility through operations that are in line with market conduct, honest presentation of product and service information to customers as well as developing financial products and services that are comprehensive, diverse, accessible to people at all levels (Financial Inclusion), along with promoting financial literacy.

3. Human rights of rights holders related to the Bank’s operations, such as employees, customers and business partners, as well as other rights holders who may be affected in the Bank’s supply chain.

4. Community engagement to improve the quality of life of the community through both the Bank’s social projects and projects undertaken by the Bank with partner organizations. The main goals are to support careers that generate stable income, strengthen the financial literacy for communities to be self-reliant in a sustainable manner, along with creating a culture of volunteerism for the Bank’s employees.

Governance

1. Advancement through innovation, development of financial products and services that meet customer needs and customer relationship management.

2. Corporate governance emphasizes the supervision of the management that has independence and an appropriate

balance, including compliance with regulations, rules and requirements and the promotion of a zero-tolerance culture (an anti-corruption culture) within the Bank.

3. Risk and crisis management focusing on corporate risk management in various dimensions.

4. Data privacy and establishment of guidelines for the care and use of personal data, especially customers, and cybersecurity operations to prevent damage from cyber-attacks.

3.2 Managing impact on stakeholders in the business value chain

3.2.1 Business value chain

The Bank acts as an intermediary in financial transaction for customers and people. There are sources of funds such as deposits in various types, namely savings, current, and fixed deposits, which are deposited by individuals, juristic persons (including private companies), government agencies, state enterprises, and financial institutions through Bank branches and other channels, such as automatic depository machines (ADMs), automated teller machines (ATMs), and Krungthai NEXT application. It also includes interbank lending, interest from loans, and other important sources, namely debt instruments such as borrowing, equity, and fees incurred from bank services as being agents or brokers for example for fund management services and fees from other services such as foreign exchange.

The Bank manages these funds according to efficient risk management and good corporate governance. There is a continuous follow-up and policies to maintain working capital levels by focusing on the principle of NPL management and proper business management, including considering liquidity and regulations that change along with technology advances, with the goal of creating maximum added value for shareholders under the regulations and supervision of regulators, including the Bank of Thailand and the Stock Exchange of Thailand.

The Bank uses these funds through its various business operations, mostly to loans, such as business loans, loans to government agencies, and overseas branch loans. This enables the Bank to receive income in the form of interest and fees from services provided by the Bank and affiliated companies offered through the Bank, including income generated from investments and trading in debt securities, gain from investment, and share of profit from investments under the equity method.

3.2.2 Analysis of Stakeholders in Business Value Chain

The Bank recognizes the importance of various groups of stakeholders both inside and outside the organization that directly and indirectly affect the Bank's operations in terms of economy, society and environment in order to treat stakeholders appropriately, efficiently and fairly. The Bank has analyzed and prioritized stakeholders. To elaborate, this is stated as part of the policy on the corporate governance and code of conduct. The details are disclosed in the 2023 Sustainability Report.

3.3 Environmental Sustainability Management

The Bank's policies, guidelines and performance regarding the environment management are disclosed on the website and in the 2023 Sustainability Report, with some key points as follows:

- **Efficient Use of Resources**

The Bank recognizes the importance of preserving and promoting good environmental quality as the foundation for driving the economy, enhancing the quality of life for people in society, and passing on to future generations. The Bank focuses on fostering cooperation among internal departments and stakeholders, including external experts, to coordinate collaborative projects aimed at addressing environmental issues, which are crucial agendas at both the national and international levels. The Bank has continuously implemented projects and initiatives for Environmental Wellness, with the goals and operational guidelines set in compliance with those at both the international and national levels, aiming for efficient use of resources and expansion to alleviate impacts caused by climate change.

In 2023, the Bank prepared a report on the Task Force on Climate-Related Financial Disclosure (TCFD), disclosing information based on international standards and promoting the integration of climate risk factors into risk strategies and management in business operations. It consisted of good practices regarding climate management in all four areas: 1) governance, 2) strategy, 3) risk and opportunity management, and 4) goals and indicators. These reflect the Bank's solid foundation for climate action and transparent operations. Additionally, the Bank has implemented energy efficiency projects and initiatives, increasing its proportion of renewable energy through a pilot project using electric vehicles and installing rooftop solar panels. The Bank has also mandated the monitoring, measuring, and accounting for sustainability, covering its greenhouse gas emissions in all three scopes. This is reported to the management team and regulators regularly, at specified frequencies or quarterly, to keep them informed of the results of environmental project implementation and by-products from other operations. For example, reducing greenhouse gas emissions from digital banking, applying digital transformation strategies to business operations, and planning to establish participatory projects to expand positive environmental impacts.

- **Responsible lending with environmental, social and governance promotion**

The Bank has adjusted its strategies and internal operations to prepare for and expand its potential to promote green business. It has also supported businesses in transitioning to environmentally friendly practices through planning, designing, and delivering financial products and services. These initiatives are aligned with international guidelines aimed at preventing global temperatures from rising above 1.5 degrees Celsius, as outlined in the Paris Agreement. The Bank has participated in studying and establishing standards for classifying and categorizing environmentally friendly business activities within the country, known as the Thailand Taxonomy. Thailand Taxonomy serves

as a central reference standard and is consistent with international benchmarks such as the EU Taxonomy and Climate Bonds Taxonomy, ensuring its suitability for the country's context. In Phase 1, Thailand Taxonomy will encompass 22 business activities within the energy and transport sectors, incorporating evaluation criteria to gauge their effectiveness in mitigating climate change. Additionally, it establishes conditions for compliance with the principles of Do No Significant Harm (DNSH) and Minimum Social Safeguards (MSS), ensuring the Bank's confidence in offering services associated with business activities that avoid adverse impacts on both the environment and society. The Bank has also contemplated integrating Environmental, Social, and Governance (ESG) considerations into its credit assessments, with the aim of steering the Thai economic and social systems towards sustainability.

- **Assessing the impacts of climate change**

The Bank has assessed the impacts from climate change or natural disasters, it can be considered in 2 dimensions which are: 1) risks in work and business operation of the Bank and 2) risks that may affect the customers' ability to operate business and pay debts. Details are as follows:

The Bank assesses business impacts, both monetary and non-monetary, in case of a disaster that prevents the Bank's core business operations or transactions from operating normally. The Bank set forth Business Continuity Management Policy, which was approved by the Board of Directors. The policy is reviewed annually to suit the changing environment. In addition, the Bank also stipulated the Business Continuity Plan (BCP), as well as regularly reviewed and tested the plan according to the specified period to ensure that the Bank is ready to cope with disastrous events and able to operate the business within a reasonable period of time. In this regard, the Bank has followed up on news about disasters on a regular basis in order to be able to cope and manage crises in a timely manner.

As for risks that may affect the customers' ability to operate business and pay debts, the Bank regularly monitors the situation and assesses the risks from climate change. In the event of a natural disaster, the Bank will assess the impact on the regional level, industry level, and on each customer by notifying the business units related or responsible for taking care of the customers to closely monitor the situation, especially customers who may be affected by such natural disaster. Monitoring, surveillance and damage impact surveys are reported to responsible executives and business units so as to consider providing remedial measures to help customers or adjust the risk level of customers or industry or region. Monitoring shall continue until the situation is relieved correspondingly, and impact reports, including damage surveys, are conducted to consider providing remedial measures to help customers or adjust the risk level of the customer, industry, or region and have to be monitored until the situation improves.

3.4 Social Sustainability Management

The Bank has policies, guidelines and performance regarding the social sustainability management, which are disclosed on the website and in the 2023 Sustainability Report, with some key points as follows:

- **Respect for Human Rights**

The Bank has operated its business with respect for human rights throughout its entire supply chain. In 2023, the Bank conducted Human Rights Due Diligence covering its business operations and supply chain in Thailand, in compliance with the UN Guiding Principles on Business and Human Rights (UNGP) and the National Action Plan on Business and Human Rights (NAP). The Bank has applied the results of these operations to assess and prioritize human rights risks, along with planning and determining measures to prevent and mitigate impacts. These measures will be used to manage the reduction of impact levels and the possibility of additional risks caused by the Bank's normal operations.

- **Human Resource Management**

The Bank has identified human resources management as a strategic priority to steer the organization toward sustainability and effective business operations in an era of rapid change. Employees at all levels play a crucial role in driving and developing the organization. The Bank has therefore strengthened its operational skills that will be necessary in the future. This is a crucial issue and must be continuously implemented. In addition, the Bank has enhanced its work culture and concepts, agility, technology application, and has also fostered ideas and the ability to connect sustainable development issues to be a part of work by utilizing Design Thinking tools and Objectives and Key Results (OKRs) to create sustainability plans and more efficient collective work processes. The progress of plan implementation is also monitored.

- **Financial Inclusion**

The Bank recognizes the importance of financial inclusion, which is a crucial factor in driving the country's economy. To provide efficient and appropriate access to finance for all stakeholders, the Bank has established two operational guidelines: 1) promoting access to financial inclusion and 2) financial literacy. These aim to bolster the economy and reduce inequality gaps in society by providing access to financial products and services for all citizens. Additionally, the Bank has distributed opportunities to access funding sources, aiming to thoroughly meet the needs of all customer groups. This is coupled with a variety of services that are comprehensive, safe, convenient, and fast, along with promoting knowledge and fostering good financial discipline for customers.

The Bank has taken into account the obstacles in accessing financial services for all groups of people in society, especially those in underprivileged groups; therefore, the Bank has designed and developed financial products that cater to all segments of the population. The Bank has categorized financial products and services as follows: 1) Products and services that support financial access for all groups of people; 2) Digital lending products through Krungthai NEXT; 3) Products and services for debt rehabilitation and

restructuring; 4) Providing financial literacy; and 5) Providing knowledge on Digital Literacy, aiming to ensure complete financial access along with supporting the building of financial discipline and skills necessary to use digital technology.

In addition, the Bank aims to drive the use of innovation and technology to create value by continuously developing the “Pao Tang” Application to become Thailand’s Open Digital Platform, which is open to all groups of people in every region to use its services. This initiative aims to meet the needs of every customer group in every dimension, aiming to provide Thai people with opportunities to thoroughly and equally improve their quality of life. Currently, there are more than 40 million users of Pao Tang services. Some important services are as follows:

Savings and Investment: The Bank has collaborated with the Public Debt Management Office to develop the SorBorMor Wallet, providing retail investors with the opportunity to conveniently access government bonds and offering private bond trading services, a digital wallet system. Additionally, the Bank is collaborating with partners from three leading gold shops, namely MTS Gold (Mae Thong Suk), YLG, and Aurora, to develop the “Krungthai Gold Wallet” for investing in 99.99% pure gold in real-time through a comprehensive online channel. This initiative facilitates the distribution of investment access opportunities to retail investors nationwide, thereby mitigating inequality in access to savings and investment products. It also serves to comprehensively and sustainably promote savings among diverse groups of people.

Health Promotion: The Bank has collaborated with the National Health Security Office (NHSO) to develop the Krungthai Digital Health Platform system, aimed at connecting to the health benefits system. This collaboration aims to facilitate access for people to government medical treatment rights provided to Thai citizens, ensuring comprehensive healthcare from birth to old age. This initiative will sustainably enhance the country’s public health system.

The Bank has collaborated with the Ministry of Finance to upgrade the VAT Refund for Tourists (VRT) system, with the aim of streamlining the process for tourists and reducing the issuance time for tax refund documents. Tourists’ information regarding purchases of goods and services will now be directly transmitted to the Revenue Department using blockchain technology. This enhancement improves work efficiency and facilitates accurate, convenient, and prompt VAT refunds for tourists. Tourists can choose to receive tax refunds through several channels, such as refunding to Visa, MasterCard, JCB, and UnionPay cards, including online wallets on Alipay or WeChat applications as well.

Furthermore, the Bank has collaborated with the Government Lottery Office to sell digital lottery tickets through the Pao Tang Application. This initiative helps small sellers gain access to a platform that has a large number of buyers, promoting careers and income for small agents. It also allows the public buyers to purchase lottery tickets at an equal price of 80 Baht.

• Engagement to Improve the Quality of Life of the Community

Since Krungthai Bank is a financial institution that supports the Thai people of all ages and aims to promote sustainability for the country while improving the quality of life through financial and banking operations, the Bank has implemented projects to develop the environment and support a high quality of life by promoting stable income-generating careers. Additionally, the Bank provides financial literacy to the community and society, which is crucial for grassroots economies and impacts the overall landscape of the country. These efforts aim to cultivate a better understanding and management of finances, strengthen financial skills and potential, and ultimately foster self-reliance. The Bank has established a framework for creating shared value with society (CSV Framework) through three main projects: 1) The “Krungthai Go Local, Grow Local” project, joining forces for development into social enterprises; 2) “Krungthai Loves Environment”, creating a positive impact for a sustainable environment; and 3) Providing financial literacy for a sustainable society.

• Responsible lending with environmental, social and governance promotion

The Bank has established a Responsible Lending (RL) policy by considering the framework and concept of sustainable development at the international level, along with the Bank’s identity. Additionally, it has integrated its operations with Environmental, Social, and Governance (ESG) principles to conduct Responsible Banking Services and Operations. The Bank has implemented a loan consideration and approval process that involves effective risk management, encompassing customer screening, credit underwriting, assessment, and the control and monitoring of risks. This process necessitates addressing environmental, social, and governance issues.

The Bank supports lending to businesses or projects in industries with potential that are consistent with environmental, social, and governance goals (Inclusion List) and in accordance with the national strategic plan under the Bio-Circular-Green Economy (BCG Model). This includes supporting loans that take into account environmental protection (Green Lending), loans for energy conservation, loans to entrepreneurs with good governance practices, loans that help create jobs and improve the quality of life and the overall economy of the country, loans for small and medium-sized enterprises (SMEs), loans for research and innovation, etc. Furthermore, the Bank will not provide loans to any type of business or to persons belonging to the Exclusion List as specified by the Bank. The Bank has established guidelines to consider loans for medium-sized business customers and above. Consideration of project loans for Sector Specific must include the completion of an ESG Checklist Form before entering the loan consideration and approval process. Additionally, an annual review of ESG risk issues of customers in the said group is also mandated annually.

Part 1 Business Operations and Performance

4. Management Discussion and Analysis : MD&A

Economic Overview

The Thai economy in 2023 grew at a slow pace of just 1.9% , down from 2.5% in 2022. The tourism sector has improved and become a key growth engine, supported by the visa-free policy during high season. Foreign tourist arrivals recorded 28.1 million. Such improving momentum in tourism and its related sectors, coupling with a normalization of economic activities, have had positive implications for employment and strengthened private consumption to support further recovery. Nonetheless, Thai exports have been adversely affected by the global economic slowdown especially China with soft domestic demand and vulnerability of real estate sector. Tightening financial conditions in many countries have suppressed external demand from trading partners. The slowdown in exports has led to low expansion of private investment. Meanwhile, delays in the FY2024 budgetary processes has caused a lower disbursement,

impacting public investment. In addition, challenges from policy normalization are building up from both a gradual discontinuation of covid-related fiscal support measures as well as a higher policy interest rate. The Bank of Thailand (BOT) consecutively raised its policy interest rate to reach 2.50% in September 2023. With weakening conditions in both external and domestic economies as well as the easing supply constraints, the headline inflation rate for 2023 eased to 1.2% back within the BOT's target range. Furthermore, risks associated with the escalating Israel-Hamas war, potential impact of climate change on agricultural production, and high household debt burden both formal and informal, need to be monitored. Amid intensifying pressure, some small businesses which lack competitiveness are struggling with a slow recovery, similar to vulnerable groups and low-income households. The uneven growth implies that Thailand's economy has not fully recovered and remains a "K-shaped economy".



The Bank and Its Subsidiaries' Overview Performance

Bank and Its Subsidiaries' Performance for Year of 2023

In 2023, the Thai economy continues on a recovery path but remains uneven or "K-shaped economy", with the improvement in tourism sector as a key growth engine, driving economic activity normalization and boosting employment and private consumption, assisting in economic recovery. Nonetheless, Thai exports have been adversely affected by global economic slowdown. Public investment has been impacted from lower budgetary disbursement from the annual budgetary processes. In addition, challenges remain for Thai economy from policy normalization in a rate hike environment, the geopolitical conflict, a potential impact of climate change, high household debt both formal and informal loans together and a slower recovery for small businesses, vulnerable groups and low-income households. The Bank prudently operates its businesses and effectively manage its asset quality whilst maintaining high coverage ratio for economic uncertainties and the diminishing growth potential economy. The Bank also focuses on providing financial assistance to all groups of customers to be able to adjust themselves for a sustainable recovery.

In Y2023, consolidated net profit attributable to equity holders of the Bank was Baht 36,616 million, an increase of 8.7% YoY as the Bank operates in alignment with our strategy under concept "Reshaping Client Value Proposition" which focuses on leveraging innovation to create sustainable value for customers. Its total operating income uplifted by 19.2% YoY from a 1.5% YoY ample loan growth in its strategically focused segments for a justified risk adjusted return amid a 0.6% YoY marginal decline in total loan growth from government related loan. Non-interest income also increased, align with market situation.

The Bank set our priority in IT investment for products and services to enhance customers' experience, especially in the digital banking services as well as prepare for industry growth along with technology evolution and innovation in future. With an effective comprehensive operating cost management, as a result, cost to income ratio registered at 41.6%, decreased from 43.7% in the same period of last year. The Bank and its subsidiaries prudently set aside an increase in allowance for expected credit losses to maintain a high level of coverage ratio given economic uncertainties as well as prudently scrutinize all risk aspects. Coverage ratio including one-time adjustment during the year stood at approximately 190% compare to 179.7% of last year. Additionally, in 4Q2023 the bank set aside

an appropriate level of ECL with close status monitoring for one corporate customer and related companies with possibility of credit deterioration. With our continuous prudent asset quality management, NPLs ratio reduced to 3.08%.

As at December 31, 2023, the Bank and the Financial Business Group's Tier 1 capital stood at 17.62% of its RWA and total capital at 20.71% of its RWA, maintaining at a strong level as compared to BOT's requirement. Additionally, the Bank maintains our sufficient level of liquidity position by means of Liquidity Coverage ratio (LCR) at a consistent level, higher than the BOT's requirement.

In Y2023, the Bank determined providing modernized products and services for all customer groups and focused on operations with its prioritize to Environmental, Social, and Governance (ESG) dimension, and applying the framework of Sustainable Development Goals (SDGs) in an operating process to strengthen the organization toward a sustainable bank. Consequently, the Bank has been assessed the 2023 SET ESG Ratings at "AAA" level which is the highest level by the Stock Exchange of Thailand. In addition to a set up of Arise by Infinitas, a collaboration between Infinitas by Krungthai and Accenture, to cultivate digital talents for future business growth, Krungthai had partnered with IBM and set up a joint venture called IBM Digital Talent for Business (IBMDT). From the development of digital product and services to serve client in all areas and income range, mobile application users had expanded for all applications with Pao Tang of more than 40 million users, Krungthai NEXT of 17.8 million users and Tung Ngern application users of 2 million merchants.

Notably, on 25th January 2024, S&P Global Ratings revised Krungthai's outlook to Positive from Stable together with the affirmation of long-term issuer credit rating at BBB-. The outlook revision reflects the sustain improvements in the bank's profitability and asset quality management.

In Y2024, the Bank conducts its business under the concept "Reshaping Client Value Proposition" using AI Technology for internal process to strengthen competitive edge and business opportunity in future. The Bank also emphasizes on alleviating country's high household debt level through our standard and specific financial assistance to the vulnerable groups with slow income recovery to be able to resist to the change of economic environment along with the responsible lending under BOT's guidelines, including debt restructuring, with a focus on responsible and fair lending, promoting access to formal finance and emphasizing on not to take excessive debt, promote the financial discipline and literacy in saving, investment and financial crime for clients to have financial awareness and financial stability.

The Bank and Its Subsidiaries' Performance for the Year Ended December 31, 2023

Overview Operating Income and Net Profit

Unit : Million Baht

	2023	2022	Change %
Net interest income	113,419	90,405	25.5
Net fee and service income	20,872	20,316	2.7
Other non-interest income	15,174	14,670	3.4
Total operating income	149,465	125,391	19.2
Total other operating expenses	62,157	54,770	13.5
Pre-provision profit ⁽¹⁾	87,308	70,621	23.6
Expected credit losses	37,085	24,338	52.4
Operating profit before income tax expenses	50,223	46,283	8.5
Income tax expenses	9,902	9,077	9.1
Net Profit	40,321	37,206	8.4
Net profit (attributable to equity holders of the Bank)	36,616	33,698	8.7
ROA (%) ⁽²⁾	1.01	0.94	
ROE (%) ⁽²⁾	9.40	9.15	

⁽¹⁾ Pre-provision profit before provision for expected credit losses and income tax expense

⁽²⁾ ROA and ROE calculated from net income (attributable to equity holders of the bank) divided by average assets and average equity attributable to equity holders of the bank respectively.

In Y2023, consolidated net profit attributable to equity holders of the Bank was Baht 36,616 million, an increase of 8.7% YoY as the Bank operates in alignment with our strategy under concept "Reshaping Client Value Proposition" which focuses on leveraging innovation to create sustainable value for customers. The Bank and its subsidiaries prudently set aside an increase in allowance for expected credit losses to maintain a high level of coverage ratio given the economic uncertainties as well as prudently scrutinize all risk aspects. Coverage ratio including one-time adjustment during the year stood at approximately 190% compare to 179.7% of last year. Additionally, in 4Q2023 the bank set aside an appropriate level of ECL with close status monitoring for one corporate customer with possibility of credit deterioration.

Its total operating income uplifted by 19.2 % YoY from a 1.5 % YoY ample loan growth in its strategically focused segments for a justified risk adjusted return amid a 0.6% YoY marginal decline in total loan growth from repayment of government related loan. Non-interest income also increased, align with market situation. The Bank set our priority in IT investment for products and services to enhance customers' experience for all group of customers and to prepare for future growth as well as to build capability readiness for technology and innovation advancement. With an effective comprehensive operating cost management, as a result, cost to income ratio registered at 41.6%, decreased from 43.7% in the same period of last year.

Net Interest Income

Unit : Million Baht

	2023	2022	Change %
Interest income	152,369	113,475	34.3
- Interbank and money market items	12,185	4,338	180.9
- Investments and trading transactions	190	217	(12.4)
- Investment in debt securities	4,637	4,246	9.2
- Loans	134,635	104,302	29.1
- Hire purchase and financial lease	231	111	108.1
- Others	491	261	88.1
<u>Less</u> Interest expense	38,950	23,070	68.8
- Deposits	15,393	9,651	59.5
- Interbank and money market items	4,049	1,904	112.7
- Contributions to BOT and DPA	12,409	6,443	92.6
- Debts issued	6,502	4,806	35.3
- Others	597	266	124.4
Net interest income	113,419	90,405	25.5
Earning Asset Yield (%) ⁽¹⁾	4.32	3.27	
Cost of Fund (%) ⁽¹⁾	1.27	0.76	
Net interest margin (based on earning assets) (%) ⁽¹⁾	3.22	2.60	

⁽¹⁾ Earning assets include financial assets measured at fair value through profit or loss; Interest bearing debts include financial liabilities measured at fair value through profit or loss.

In Y2023, consolidated net interest income was baht 113,419 million, increased by 25.5% YoY, mainly due to loan growth in its strategically focused segments both retail and corporate segments for a justified risk adjusted return in economic uncertainties. NIM registered at 3.22%, compared to 2.60% last year as a result of portfolio optimization as well as interest rate trend, offset by a rising cost of fund including FIDF rate normalization.

Change of interest rate

	27 Sep 2023	2 Aug 2023	31 May 2023	29 Mar 2023	25 Jan 2023	30 Nov 2022	28 Sep 2022
Policy Interest Rate	2.50%	2.25%	2.00%	1.75%	1.50%	1.25%	1.00%
Krungthai Interest Rate	5 Oct 2023	6 Jun 2023	13 Apr 2023	1 Feb 2023	3 Jan 2023	9 Dec 2022	4 Oct 2022
Deposit Rate (%) ⁽¹⁾							
- Savings Rate	0.300%	0.300%	0.250%	0.250%	0.250%	0.250%	0.250%
- 3 Months Fixed Rate	1.170%	0.920%	0.820%	0.770%	0.620%	0.620%	0.470%
- 6 Months Fixed Rate	1.250%	1.050%	0.950%	0.850%	0.700%	0.700%	0.550%
- 12 Months Fixed Rate	1.700%	1.450%	1.350%	1.150%	1.000%	1.000%	0.700%
Loan Rate (%)							
- MLR	7.050%	6.800%	6.600%	6.350%	6.150%	5.750%	5.500%
- MOR	7.520%	7.270%	7.070%	6.870%	6.720%	6.320%	6.070%
- MRR	7.570%	7.320%	7.120%	6.870%	6.770%	6.370%	6.220%

⁽¹⁾ Standard deposit rate for individuals.

From 2022, the Monetary Policy Committee (MPC) projected the continuing recovery of the Thai economy and thus announced the raising of the policy rate to 1.25% per annum. In 2023, it announced the continuing increase of the policy rate on January 25, March 29, May 31, August 2, and September 27, 2023 to 2.50%. The bank thoroughly considered and gradually raised its interest rates in alignment with market movement as well as uplift our fixed deposit rates to support our depositor and alleviate the pressure from higher cost of living while ensuring the availability of financial assistance to our clients to support sustainable economic recovery.

In addition, BOT rose FIDF rate to the normal rate at 0.46% per annum, effective from January 1, 2023, from previous FIDF rate at 0.23% per annum as the lowered FIDF rate for financial institution to pass the lower interest rate through the private sector and individual.

Net Fee and Service Income

Unit : Million Baht

	2023	2022	Change
			%
Fee and service income	28,671	28,096	2.0
Less Fee and service expense	7,799	7,780	0.2
Net Fee and Service Income	20,872	20,316	2.7

In Y2023, consolidated net fee and service income was Baht 20,872 million, increased by 2.7% YoY, from a expansion of bancassurance fee and fee related to credit card services in alignment with economic activity normalization

Total Other Operating Income

Unit : Million Baht

	2023	2022	Change
			%
Gains (loss) on financial instruments measured at fair value through profit or loss	5,178	5,233	(1.0)
Gain (loss) on investments, net	195	239	(18.3)
Share of profit (loss) from investments for using equity method	1,353	1,095	23.6
Dividend income	320	352	(9.2)
Other income	8,128	7,751	4.8
Total other operating income	15,174	14,670	3.4

In Y2023, consolidated total other operating income was Baht 15,174 million, an increase of 3.4% YoY, mainly due to other income from bad debt recovery and share of profit from investments for using equity method.

Other Operating Expenses

Unit : Million Baht			
	2023	2022	Change
			%
Employees' expenses	25,766	25,763	0.0
Premises and equipment expenses	10,289	9,644	6.7
Taxes and duties	5,080	4,054	25.3
Impairment loss of properties for sale	4,549	1,313	246.5
Others ⁽¹⁾	16,473	13,996	17.7
Total other operating expenses	62,157	54,770	13.5
Cost to income ratio (%)	41.6	43.7	

⁽¹⁾ Including Directors' remuneration

In Y2023, the Bank set our priority in IT investment for products and services to enhance customers' experience for all group of customers and to prepare for future growth as well as to build capability readiness for technology and innovation advancement. Together with an effective comprehensive operating cost management, cost to income ratio registered at 41.6%, decreased from 43.7% in the same period of last year. Other operating expenses was Baht 62,157 million, increased by 13.5% YoY, mainly owing to an increase in IT cost and impairment loss of properties for sale.

Expected credit losses

Unit : Million Baht			
	2023	2022	Change
			%
Expected credit losses ⁽¹⁾	37,085	24,338	52.4

⁽¹⁾ Expected credit losses for interbank and money market items, investments in debt securities, loans to customers (including loss from criteria change) and loan commitments & financial guarantee contracts

In Y2023, consolidated expected credit losses prudently set aside the expected credit losses in amounted Baht 37,085 million, increased by 52.4% YoY amid a changing business environment as well as economic uncertainties as well as prudently scrutinize all risk aspects whilst maintaining high coverage ratio of 181.3%. Coverage ratio including one-time adjustment during the year stood at approximately 190% compare to 179.7% of last year. Additionally, in 4Q2023 the bank set aside an appropriate level of ECL with close status monitoring for one corporate customer and related companies with possibility of credit deterioration.

The Bank and Its Subsidiaries' Financial Status as at December 31, 2023

Financial Assets and Investments, Net

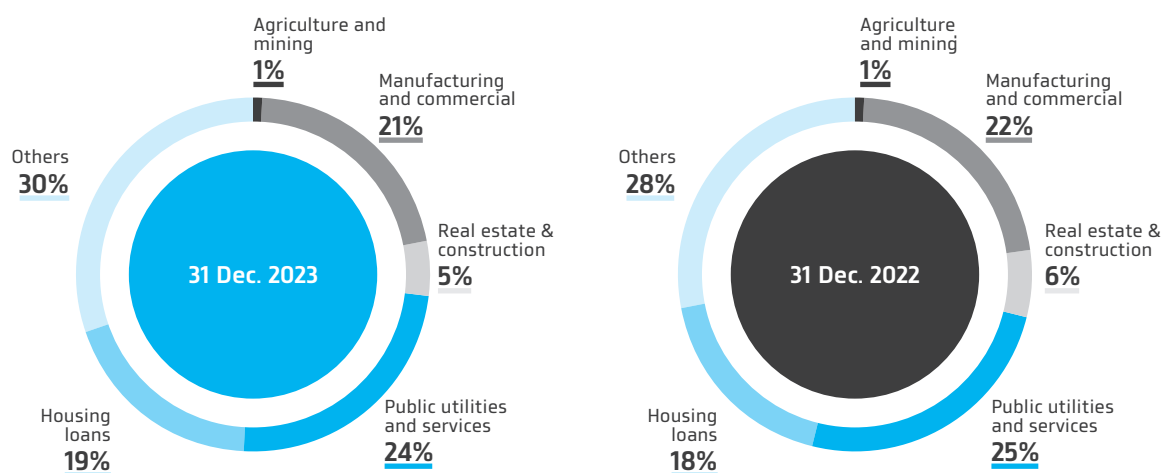
The Bank's consolidated financial assets measured at fair value through profit or loss and net investment were Baht 289,654 million as at December 31, 2023, compared to Baht 310,623 million as at December 31, 2022. Financial assets measured at fair value through profit or loss and net investments comprised of government and SOE securities 67%, private enterprise and foreign debt securities 28% and marketable equity securities 5%.

Classifications of financial assets and investments, net

Consolidated Financial Statements	31 Dec 2023	31 Dec 2022	Unit : Million Baht
			Change %
Financial assets measured at fair value through profit or loss	25,946	33,568	(22.7)
Investment, net	263,708	277,055	(4.8)
- Investment in debt securities measured at amortized cost	1,218	950	28.2
- Investment in debt securities designated to be measured at fair value through other comprehensive income	246,760	258,350	(4.5)
- Investment in equity securities designated to be measured at fair value through other comprehensive income	15,730	17,755	(11.4)
Total financial assets and investments, net	289,654	310,623	(6.8)

Loans to Customers

Loan breakdown by type of business



The consolidated loans to customers (less deferred revenue) registered at Baht 2,576,516 million with our expansion in its strategically focused segments for a justified risk adjusted return. Loan for strategically focused segments had an ample growth of 1.5% YoY amid a 0.6% YoY marginal decline in total loan growth from repayment of government related loan. Accrued interest receivables increase from September 2023 mainly from Effective Interest Rate (EIR) recognition especially for housing loans with fixed rate conditions in the early payment period. Besides, accrued interest receivables has dropped during the fourth quarter and inflated at end of the year as a holiday.

Unit : Million Baht

Consolidated Financial Statements	31 Dec 2023	31 Dec 2022	Change
			%
Loans to customers	2,577,131	2,593,370	(0.6)
<u>Less</u> Deferred revenue	615	532	15.7
<u>Add</u> Accrued interest receivables ⁽¹⁾	22,902	25,372	(9.7)
<u>Less</u> Allowance for expected credit losses	173,323	174,378	(0.6)
Loans to customers and accrued interest receivables, net	2,426,095	2,443,832	(0.7)

⁽¹⁾ The Bank and its subsidiaries recognise interest income by using the Effective Interest Rate (EIR) method in accordance with TFRS 9 standard. Accrued interest receivables were majority from the EIR of stage 1 loans especially retail loans with fixed interest rate in the early payment period and step up rate later ie. housing loans, loans with one-monthly interest payment conditions. In addition, in case of month-end holidays, the interest payment date will be postponed to the next working day for some group of loans, resulting in an increment of accrued interest receivables.

Loan breakdown by type of borrowers (Consolidated's Financial Statements)

Unit : Million Baht

Consolidated Financial Statements	31 Dec 2023		31 Dec 2022		Change
	Amount	(%)	Amount	(%)	%
Private Corporate	739,942	28.7	736,516	28.4	0.5
Government and State Enterprise	377,865	14.7	427,429	16.5	(11.6)
SMEs	291,514	11.3	317,632	12.2	(8.2)
Retail	1,167,508	45.3	1,111,433	42.9	5.0
- Housing	484,590	18.8	472,640	18.2	2.5
- Personal	605,071	23.5	566,714	21.9	6.8
- Credit card	74,132	2.9	69,174	2.7	7.2
- Leasing	3,715	0.1	2,905	0.1	27.9
Others	302	0.0	360	0.0	(16.2)
Total loans (per F/S)	2,577,131	100.0	2,593,370	100.0	(0.6)

Asset Quality

Loan classification and expected credit loss

Unit : Million Baht

Consolidated Financial Statements	31 Dec 2023	31 Dec 2022
1. NPL ⁽¹⁾	99,407	101,096
2. NPL Ratio	3.08 %	3.26 %
Allowance for Expected Credit Losses (total) ⁽²⁾	180,197	181,637
3. Coverage Ratio ⁽³⁾	181.3 %	179.7 %

⁽¹⁾ NPLs based on principal less deferred revenue while including interbank and money market items

⁽²⁾ Allowance for expected credit loss (total) = Allowance for expected credit losses for interbank and money market items, loans to customers and loan commitments & financial guarantee contracts.

⁽³⁾ Coverage Ratio = Allowance for expected credit losses for interbank and money market items, loans to customers and loan commitments & financial guarantee contracts / NPL.

Unit : Million Baht

Consolidated Financial Statement	31 Dec 2023		31 Dec 2022	
	Loans and Accrued Interest Receivables ⁽¹⁾	Allowance for Expected Credit Losses ⁽²⁾	Loans and Accrued Interest Receivables ⁽¹⁾	Allowance for Expected Credit Losses ⁽²⁾
Loan Classification				
- Performing	2,295,515	47,237	2,289,507	44,720
- Under - performing	201,919	56,906	217,522	52,526
- Non - performing	98,795	68,348	108,732	76,508
- Lifetime ECL - simplified approach ⁽³⁾	3,189	832	2,449	624
Total	2,599,418	173,323	2,618,210	174,378

⁽¹⁾ Loan less deferred revenue while including accrued interest receivables and undue interest receivables

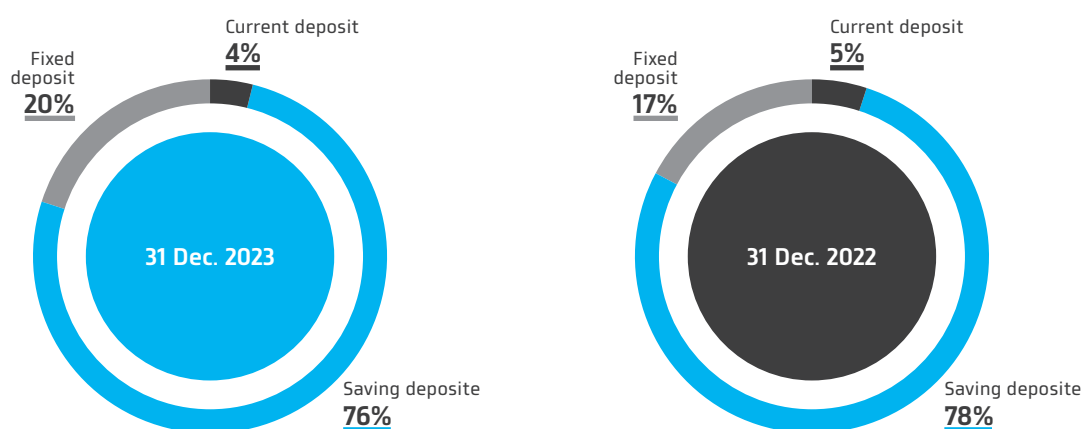
⁽²⁾ Allowance for expected credit losses for loans to customers (including loss from criteria change) per financial statements.

⁽³⁾ Lifetime ECL - simplified approach is the approach of the Bank's subsidiary to recognize the allowance for expected credit losses on lifetime of finance lease receivables

The Bank's consolidated NPL as at December 31, 2023 was Baht 99,407 million or a 3.08% NPL Ratio, a reduction from December 31, 2022, a manageable level as a result from our prudent asset quality management. The additional expected credit losses were cautiously set aside to maintain a high level of coverage ratio at 181.3% given the economic uncertainties. Additionally, in 4Q2023 the bank set aside an appropriate level of ECL with close status monitoring for one corporate customer and related companies with possibility of credit deterioration in addition to the Bank's asset quality close monitoring

Deposits

Deposits breakdown by types



The Bank's consolidated deposits was Baht 2,646,872 million, increases 2.2% from December 31, 2022 from fixed deposit. The portion of current deposit and savings deposit to total deposit (CASA) stood at a high level of 80%.

The Bank's consolidated loans to customers (less deferred revenue)-to-deposits ratio (L/D ratio) was 97.34%, relatively stable to 100.10 % as at December 31, 2022.

Sources and Uses of Funds

Unit : Million Baht

	31 Dec 2023		31 Dec 2022		Change
	Amount	(%)	Amount	(%)	%
Net Interbank and money market items (asset)	701,161	19.1	550,941	15.3	27.3
Financial assets measured at fair value through profit or loss	25,946	0.7	33,568	0.9	(22.7)
Net investments and net investments in associates	277,241	7.5	289,375	8.1	(4.2)
Loans to customers (less deferred revenue)	2,576,516	70.1	2,592,838	72.2	(0.6)
Less Allowance for expected credit losses	173,323	4.7	174,378	4.9	(0.6)
Other assets	270,144	7.3	300,075	8.4	(10.0)
Total Asset	3,677,685	100.0	3,592,419	100.0	2.4
Deposits	2,646,872	72.0	2,590,236	72.1	2.2
Interbank and money market items (liabilities)	282,696	7.7	277,099	7.7	2.0
Debt issued and borrowings	160,839	4.4	151,172	4.2	6.4
Other liabilities	166,431	4.5	181,340	5.1	(8.2)
Total equity	420,847	11.4	392,572	10.9	7.2
- Equity holders of the Bank	402,377	10.9	376,305	10.5	6.9
- Non-controlling interest	18,470	0.5	16,267	0.4	13.5
Total liabilities and equity	3,677,685	100.0	3,592,419	100.0	2.4
Loans to customers (less deferred revenue)-to-deposits ratio (%)	97.34		100.10		

As at December 31, 2023, the Bank's consolidated major source of funds was 72% deposits; and the other source of funds as equity, interbank borrowings, and debt issued and borrowings. The Bank's consolidated use of funds comprised of 70% loans to customers (less deferred revenue), 19% net interbank and money market items (asset), and 8% net investments and net investments in associates.

Equity

The total equity (equity holders of the Bank) as at December 31, 2023 was Baht 402,377 million, increased 6.9% from December 31, 2022.

Book value per share (equity holders of the Bank) was Baht 28.78 per share increased from Baht 26.91 per share at December 31, 2022.

Statutory Capital Fund

Statutory Capital Fund (Bank and the Financial Business Group)

Unit : Million Baht

Bank and the Financial Business Group ⁽¹⁾	31 Dec 2023 ⁽³⁾		31 Dec 2022		The minimum rate required % ⁽²⁾
	Amount	%	Amount	%	
Common Equity Tier 1 capital	355,261	16.67	335,601	15.74	>8.000
Tier 1 capital	375,419	17.62	355,870	16.69	>9.500
Tier 2 capital	66,001		66,224		
Total capital fund	441,420	20.71	422,094	19.80	>12.000
Risk-weighted assets	2,131,200		2,132,096		

⁽¹⁾ Balance sheet as under regulatory scope of the financial business group means financial statement for consolidated basis under BOT's regulation which does not include non-life and life insurance companies, and companies held less than 50 percent of paid-up shares capital by the Bank.

⁽²⁾ According to BOT's regulation, the minimum capital ratios of Commercial Banks in Thailand will be increased to absorb Capital conservation buffer more than 0.625% a year starting from January 1, 2016 until the capital buffer ratio of more than 2.5% is reached on January 1, 2019. Moreover, KTB was named as the one of the Domestic Systemically Important Banks (D-SIBs) requiring to hold all capital ratios to absorb higher loss absorbency of additional 0.5% of risk-weight assets from January 1, 2019 and 1% of risk-weight assets from January 1, 2020 onwards (reference to the BOT Notification Sor.Nor.Sor. 16/2560 and 17/2560)

⁽³⁾ Capital fund and capital adequacy ratio are preliminary information prepared accordance with BOT guidelines.

Statutory Capital Fund (The Bank's Financial Statements)

Unit : Million Baht

The Bank's Financial Statements ⁽¹⁾	31 Dec 2023 ⁽²⁾		31 Dec 2022		The minimum rate required (%) ⁽¹⁾
	Amount	(%)	Amount	(%)	
Common Equity Tier 1 capital	336,907	16.54	319,896	15.59	>8.000
Tier 1 capital	355,554	17.45	338,543	16.50	>9.500
Tier 2 capital	64,960		65,317		
Total capital fund	420,514	20.64	403,860	19.68	>12.000
Risk-weighted assets	2,037,273		2,051,798		

⁽¹⁾ According to BOT's regulation, the minimum capital ratios of Commercial Banks in Thailand will be increased to absorb capital conservation buffer until the capital buffer ratio of more than 2.50% is reached on January 1, 2019. Moreover, KTB was named as the Domestic Systemically Important Banks (D-SIBs) requiring to hold all capital ratios to absorb higher loss absorbency of additional 1% of risk-weight assets from January 1, 2020 onwards (reference to the BOT Notification Sor.Nor.Sor. 16/2560 and 17/2560)

⁽²⁾ Capital fund and capital adequacy ratio are preliminary information prepared accordance with BOT guidelines.

As at December 31, 2023, the Bank and the Financial Business Group's Common Equity Tier 1 was Baht 355,261 million (16.67% of its RWA) and Tier 1 capital was Baht 375,419 million (17.62% of its RWA). Total capital was Baht 441,420 million (20.71% of its RWA).

As at December 31, 2023, the Bank's Common Equity Tier 1 was Baht 336,907 million, Tier 1 capital was Baht 355,554 million and Total capital was Baht 420,514 million (16.54%, 17.45% and 20.64% of its RWA).

The Bank possesses healthy capital ratios compared to BOT's requirement. Moreover, the Bank regularly reassesses the capital level to be in accordance with the BOT's requirement.

Factors or Events that May Significantly Affect the Financial Position or Operating Results in the Future (Forward Looking)

For 2024, the Thai economy is expected to gradually recover to a limited extent, with an estimated expansion of 2.7% amidst numerous external and domestic risk factors that may impede growth. The global economy in 2024 is anticipated to slow down, particularly affecting the United States and Europe due to high interest rates. For China, the economy is projected to grow at less than 5.0%, primarily due to challenges in the real estate sector. Furthermore, geopolitical conflicts may escalate tensions and increase volatility, particularly if there is further escalation in the Russia-Ukraine and Israel-Hamas conflicts. These factors will have a negative impact on world trade and the export sector. As for the main driving force of the Thai economy, which is the tourism sector, the number of foreign tourists is expected to be approximately 34 million. However, there is still uncertainty regarding Chinese travelers, some of whom are concerned about travel safety and the weakening of the China's economy.

In addition, Thailand's domestic economy faces pressure from household debt problems, while borrowing costs for the private sector remain high. There are signs of fragility, such as the increasing number of non-performing loans and special mention loans in the commercial banking system, which continued to rise throughout 2023. It is expected that the negative effects of high-interest rates gradually being passed on to manufacturers and consumers will become more evident in 2024. The Bank must also monitor the impacts of the Responsible Lending measure, which became effective in January 2024, on the accessibility of credit within the system. Additionally, the increasing tendency of fiscal deficits and public debt is another factor that will lead to higher financial costs. Meanwhile, businesses must contend with elevated expenses arising from electricity, raw materials, and anticipated wage increases in the future. Moreover, entrepreneurs continue to face challenges in adapting to global changes to sustain their competitiveness. These challenges include fully transitioning into the digital technology era, effectively managing cybersecurity risks, transitioning to a low-carbon society, and fostering sustainability across all aspects of business operations under ESG principles. This requires entrepreneurs to adapt to these changes, while the Bank must monitor and deal with the transition and align with these global trends simultaneously.

Appendix Relief Measures in Response to the Impacts of the COVID-19 Pandemic

The Bank has continuously implemented relief measures in response to the impacts of the COVID-19 pandemic for retail and non-retail customers, providing 5 measures as follows.

- Relief measures for retail customers 2 measures (from May 31, 2021)

1. Home loan, Home for Cash loan and Home Easy Cash loan (Term Loan) : up to 12-month debt payment holiday on principal (pay part of interest) or reduce installment by extending payment period up to 12 months or up to 3-month debt payment holiday on principal (pay interest)

2. Personal Revolving Loan (Krungthai Thanawat loans and Krungthai Thanawat loan) : convert into loan of 48 installment or extend payment period according to debtor's payment ability.

- Relief measures for non-retail customers 3 measures

1. Soft loan facility for business customers : interest rate at 2% per annum in the first 2 years (an average interest rate for 5 years not exceed 5% per annum), loan tenor up to 10 years, interest waived up to 6 months and government guarantee period up to 10 years by the Thai Credit Guarantee Corporation (TCG)

2. Debt Restructuring through Asset Warehousing with Buy-Back options : temporarily lessen debt burden in prolonged recovery period for potential customers with collaterals by transferring collaterals for debt repayment purpose with the rights to repurchase collaterals back in future. The repurchase price should not be higher than the transfer price plus carrying cost (1% per annum of the transfer price plus incurred asset maintenance costs and other relevant fees paid by the Bank deduct rental fee paid from customers)

3. DR BIZ program : as debt consolidation for business loans with credit line from multi-creditors of THB 50 - 500 million to manage debt restructuring according to the debtor's capability ie. reduce installment, extending payment period as well as liquidity support for potential customers with solid business plan. Criteria for consideration are as prescribed by the Bank.

Besides, the Bank supports COVID-19 relief measure for sustainable assistance and long-term debt restructuring with these criteria as follows

1. Financial institutions are able to maintain the current classification of restructured retail and SMEs loans until March 31, 2022 (SMEs' definition depending on each financial institution) in order to have sufficient debt restructuring consideration time.

2. The extension of flexible loan classification and allowance for expected credit loss criteria until year 2023 will help less burden for financial institution to provide sustainable debt restructuring measure (multiple debt restructuring instrument, not only payment period extension).

3. Extended the lowered contribution from financial institutions (FIDF fee) to 0.23% (from 0.46%) until ended 2022 (from previously ended 2021) for financial institution to provide continual less burden assistant to private sector and individual.

Credit Ratings

Bank's credit ratings rated by S&P Global Ratings, Moody's Investors Service and Fitch Ratings were as follows:

S&P Global Ratings	Jan 2024	Dec 2022
- Long-term/ Short-term	BBB- / A-3	BBB- / A-3
- Outlook	Positive	Stable
- Stand-Alone Credit Profile (SACP)	bb	bb

Moody's Investors Service	Dec 2023	Dec 2022
- Long-term/ Short-term	Baa1 / P-2	Baa1 / P-2
- Outlook	Stable	Stable
- Baseline Credit Assessment (BCA)	baa3	baa3
- Additional Tier I Subordinated Notes (USD)	Ba3	Ba3

Fitch Ratings	Dec 2023	Dec 2022
Foreign Currency Credit Ratings		
- Long-term/ Short-term	BBB+ / F1	BBB+ / F1
- Outlook	Stable	Stable
- Viability Rating	bbb-	bbb-
National Credit Ratings		
- Long-term/ Short-term	AAA(tha) / F1+ (tha)	AAA(tha) / F1+ (tha)
- Outlook	Stable	Stable
- Senior unsecured debentures (Baht)	AAA(tha)	AAA(tha)
- Subordinated Debt (Baht)	AA(tha)	AA(tha)

On 25th January 2024, S&P Global Ratings revised Krungthai's outlook to Positive from Stable together with the affirmation of long-term issuer credit rating at BBB-. The outlook revision reflects the sustain improvements in the bank's profitability and asset quality management.

Part 1 Business Operations and Performance

5. General Information and Other Major Information

5.1 Company Information

- Name of Company : Krung Thai Bank Public Company Limited
- Business Type : Commercial Banking
- Head Office Location : 35 Sukhumvit Road, Klong Toey Nua Subdistrict, Wattana District, Bangkok 10110
- Registration Number : 0107537000882 (formerly Bor.Mor.Jor. 335)
The Bank registered its transformation to public limited company on 24 March 1994.
- Head Office Location : Head Office
Building 1:
35 Sukhumvit Road, Klong Toey Nua Subdistrict,
Wattana District, Bangkok 10110
Tel.: +662 255-2222
Fax.: +662 255-9391-3
Building 2:
10 Sukhumvit Road, Klong Toey Subdistrict,
Klong Toey District, Bangkok 10110
Tel.: +662 208-7000, 8000
Fax.: +662 255-9391
- Home Page : www.krungthai.com
- Krungthai Contact Center : +662-111-1111
- Fax : +662-255-9391-3
- Number and Type of the Total Shares Issued

As of 31 December 2023, the Bank's registered and paid-up capital amounted to 72,005,040,437.50 Baht which is classified into:

Ordinary shares amounted	13,976,061,250	shares	at THB 5.15 per share
Preferred shares amounted	5,500,000	shares	at THB 5.15 per share
Total	13,981,561,250	shares	

Other References

- Registrar (Ordinary and Preferred shares)

Thailand Securities Depository Co., Ltd.

The Stock Exchange of Thailand Building
93 Ratchadapisek Rd., Dindaeng,

Bangkok 10400

Tel.: +662 009-9000

SET Contact Center: +662 009-9999

Fax.: +662 009-9991

E-mail: SETContactCenter@set.or.th

- Subordinated Instruments intended to qualify as Tier 2 Capital of Krungthai Bank PCL. No. 1/2019 due 2029.

The Subordinated Instruments are redeemable at the option of the Issuer prior to the maturity date and can be written down (fully or partially) at the time of occurrence of the official deciding to officially grant financial assistance to the Issuer.

Debenture Registrar

Krungthai Bank PCL.

Registrar Team, Capital Market Services Department

977/2 SM Tower, 3rd Fl.,

Phahonyothin Rd, Phaya Thai,

Bangkok 10400

Tel.: +662 298-0821-30 ext. 110, 109, 130, 124, 128, 502, 507

Bondholder's Representative

-None-

- US\$600,000,000 Additional Tier 1 Subordinated Notes (under the Euro Medium Term Note Program)

Registrar and Transfer Agent

The Bank of New York Mellon SA/NV, Luxembourg Branch

Vertigo Building-Polaris

2-4, rue Eugene Ruppert

L-2453 Luxembourg

TRUSTEE

The Bank of New York Mellon, London Branch

160 Queen Victoria Street

London EC4V 4LA

United Kingdom

- Subordinated Instruments intended to qualify as Tier 2 Capital of Krungthai Bank PCL. No. 1/2022 due 2032.

The Subordinated Instruments are redeemable at the option of the Issuer prior to the maturity date and can be written down (fully or partially) at the time of occurrence of the official deciding to officially grant financial assistance to the Issuer.

Debenture Registrar

Krungthai Bank PCL.

Registrar Team, Capital Market Services Department

977/2 SM Tower, 3rd Fl.,

Phahonyothin Rd, Phaya Thai,

Bangkok 10400

Tel. +662 298-0821-30 ext. 110, 109, 130, 124, 128, 502, 507

Bondholder's Representative

-None-

- Structured debentures under the Structured Debentures Programme of Krungthai Bank PCL. No. 1/2020, 1/2021, 1/2022 and 1/2023.

Debenture Registrar
 Krungthai Bank PCL.
 Registrar Team, Capital Market Services Department
 977/2 SM Tower, 3rd Fl.,
 Phahonyothin Road, Phaya Thai,
 Bangkok 10400
 Tel. +662 298-0830-3 ext. 109, 130, 124
 Fax. +662 298-0835

- Auditor

EY Office Limited
 193/136-137 Lake Ratchada Bldg.,
 33rd Fl. Ratchadaphisek Road,
 Klong Toey, Klong Toey, Bangkok 10110
 Tel: +662 264-9090
 Fax: +662 264-0789-90

- Legal Advisors

Legal Affairs Department,
 Legal Compliance Sector,
 Legal Compliance & Financial Crime Group
 Krungthai Bank PCL
 Building 2, 17th Floor,
 10 Sukhumvit Road, Klong Toey,
 Klong Toey, Bangkok 10110
 Tel. +662-345 -1992

Krungthai Law Co., Ltd.
 191/50-53, 21 CTI Tower 18th-19th, 27th Fl.,
 Ratchadapisek Rd., Klong Toey,
 Klong Toey, Bangkok 10110
 Tel.: +662 261-3739
 Fax.: +662 261-3748-50

5.2 Other Major Information

5.2.1 Other information that may have a significant impact on the investors' decision-making

None

5.2.2 Foreign shareholders restriction (in case that the company has a policy to request a resolution of the shareholders' meeting for the offering of shares or issuing a transferable subscription right (TSR))

None. At present, the Bank does not have a policy to issue transferable share subscription right (TSR).

• Financial Institutions that are in Contact (in case the Bank issues debt instruments)

Citigroup Global Markets Limited
Citigroup Centre, Canada Square
Canary Wharf
London E14 5LB, United Kingdom

The Hongkong and Shanghai Banking
Corporation Limited
Level 17 HSBC Main Building
1 Queen's Road Central
Hong Kong

Standard Chartered Bank
One Basinghall Avenue
London EC2V 5DD
United Kingdom

Merrill Lynch (Singapore) Pte. Ltd
50 Collyer Quay,
#14-01 OUE Bayfront
Singapore 049321

5.3 Legal Disputes

At present, the Bank has no lawsuits in which it has been sued as a defendant, namely, the lawsuit that may have a significant impact on the business operations of the Bank or its subsidiaries, the lawsuit that negatively affects the assets of the Bank or its subsidiaries with capital greater than 5 percent of the shareholders' equity at the end of the latest fiscal year, and the lawsuit that does not arise from business operation of the Bank or its subsidiaries as prescribed by the SEC.

During the past five years (2019 - 2023), the Bank was fined once by the Bank of Thailand in 2019 according to Sections 60 and 71 of the Financial Institution Business Act, B.E. 2551 (2008). The amount of the fine was not significant, and the Bank has since improved its operations.

Part 2 Corporate Governance

6. Corporate Governance Policy

The Board of Directors has established a policy for Krungthai Bank to conduct its business according to the laws and Corporate Governance Code by taking into account transparency, integrity, fairness, and responsibility for every group of stakeholders, adhering to the code of conduct and ethics in accordance with Corporate Governance Code to be an effective, excellent organization with a significant foundation for sustainable and stable business operations. The Board of Directors has approved the preparation of the written Corporate Governance Policy, including the review and update of the policy to be appropriate and up-to-date. The Corporate Governance Policy of the Bank was established and first proclaimed in 2002, and continuously updated the corporate governance standard of the Bank all the time by adhering to good corporate governance guidelines under internationally accepted principles both in the country and overseas, for instance, Corporate Governance Code of the Organization for Economic and Co-operation Development (OECD), the Principles of Good Corporate Governance for Listed Companies of the Stock Exchange of Thailand, the Corporate Governance Code (CG Code) of the Securities and Exchange Commission, and the Thai Institute of Directors, etc. The Bank, adhering to the 'apply or explain' principle, adopts policies and practices that align with the relevant laws and regulations governing its business operations. These principles cover the management of the Board of Directors, shareholders, and stakeholders. Furthermore, the Board of Directors, executives, and employees at all levels throughout the organization are committed to and abide by the corporate governance policy. This policy serves as a fundamental principle of operation, fostering a culture of good corporate governance. Such a culture bolsters confidence among shareholders and all stakeholder groups, contributing to the Bank's value creation and sustainable growth. Additionally, the Bank's Corporate Governance Policy is available in both Thai and English and can be accessed by anyone interested on the Bank's website.

6.1 Overview of Corporate Governance Policies and Practices

Krungthai Bank emphasizes business operation with transparency, integrity, and fairness under good corporate governance guidelines to become an efficient and excellent organization in business operation based on ethical responsibility. Additionally, the Bank takes into account the benefits of every group of stakeholders, creates shareholder confidence and benefits, covers ESG principles, consisting of Environmental,

Social, and Governance, and concurrently cultivates zero-tolerance corporate culture and market conduct, which are concretely shaped in every fair work process. Moreover, the Bank commits to business development and aims at creating social benefits, and reducing inequality, resulting in the ability of every sector of the society to sustainability and strongly grow together with the Bank.

Under the continuous supervision and advice by the Board of Directors, which seriously adheres to compliance with the Corporate Governance Code and Guidelines, the Bank places importance on the efficient risk management and internal control system and arranges the audit and review of corporate governance regularly, integrates the sustainability dimension as part of the Bank's culture and business operations, and communicates information that creates the related knowledge and understanding to stakeholders both inside and outside the organization to ensure an efficient, transparent, and reliable management system in the Bank's entity operations. Moreover, the Bank also encourages the directors, executives, and employees at all levels to adhere to and comply with the corporate governance policy to bring about the creation of a culture that causes in-house good governance, and improves the Bank's corporate governance in accordance with international standards, leading to the leading bank that helps promote the sustainable development of the society and nation under the vision "Growing Together for [SUSTAINABILITY](#)." In this regard, the Board of Directors is responsible for performing duties for the maximum benefit of the Bank and its shareholders. The Bank clearly segregates duties and responsibilities between the Management and the Board of Directors. The Board of Directors is the policymaker and governs the work systems of the Bank to legally and ethically proceed in accordance with the policies.

The Bank has established good governance principles, namely CARPETS, as a practice for the Bank's executives and employees under the Stock Exchange of Thailand's guidelines, as follows:

- [Creation of Long-Term Value](#)
- [Accountability](#)
- [Responsibility](#)
- [Promotion of Best Practices](#)
- [Equitable Treatment](#)
- [Transparency](#)
- [Social and Environmental Awareness](#)

Good Governance and Sustainability Strategy

The Bank stipulates the Good Governance Strategy for 2017 - 2021 of Krungthai Bank PCL to correspond to the National Strategy on National Anti-Corruption Phase 3 (2017 - 2021) of which time frame has been extended to September 30, 2022, under the resolution of the NACC Meeting, for the benefits of driving the work plan and to be aligned with the timeframe extension period of the National Strategy. However, the Bank's strategy advancing toward becoming a prototype bank in terms of morality and ethics and creating a zero-tolerance culture toward the practice under the Sustainable Krungthai Project.

In 2023, the Bank embarked on implementing strategic plans and corporate governance policies towards sustainability. This approach involves integrating business operations with a keen focus on Environmental, Social, and Governance (ESG) impacts in accordance with the regulations of the Stock Exchange of Thailand and the National Strategy on Anti-Corruption. Furthermore, the Board of Directors has approved the strategic plans for good governance and sustainability for the period 2023-2027. These plans involve an upgrade in implementation, guided by the mission: 'Being number one in good governance and corporate governance under the Zero Tolerance Policy', and advancing towards 'Sustainable Krungthai'. This initiative is structured with 4 Strategic Focuses as follows:

- 1st Strategy: Upgrading the corporate governance, transparency, integrity, and fairness culture toward sustainability
- 2nd Strategy: Upgrading the anti-corruption and proactive risk process, including enhancing work efficiency through Process Improvement and Process Innovation
- 3rd Strategy: Upgrading the proactive corruption suppression process and corporate governance for sustainability under international standards in a specific area which has still been the Gap of the Bank
- 4th Strategy: Upgrading the operating process in terms of corporate governance and sustainability under international standards

The Bank still upholds its commitment to adhering to the code of conduct and ethics, anti-corruption policies, market conduct, and risk management, by take into account of all stakeholder sectors, respect for human rights, society, and the environment. To continuously foster employee awareness about adhering to good corporate governance guidelines, the Bank implements various projects and activities as part of the sustainable Krungthai Initiative via range of communication channels and educational initiatives. These efforts include CG & Sustainability training courses for senior executives, orientation programs for new employees, and the development of

self-learning media accessible through the One Krungthai Application, E-Learning Platform, Intranet, and Lesson Learned under the Sustainable Krungthai initiative. The Bank also engages in organizing exhibition boards and activity booths. In addition, the Bank has established a corporate governance structure comprised of various committees dedicated to overseeing the Bank's operations in line with its objectives. These committees diligently monitor and supervise operations and provide regular reports to the Board of Directors.

6.1.1 Policies and Practices Relating to Board of Directors

The Board of Directors is the organizational leader with full authority to govern the administration of commercial banking operations and related businesses and supervise the directors and executives to perform their duties with responsibility, carefulness, and integrity to ensure good organizational management and practice in accordance with laws, objectives, and Articles of Association of the Bank, and resolutions of the Board of Directors and the Shareholders' Meeting under the conditions and requirements of the related laws and Corporate Governance Code. The Board of Directors approved the Charter of the Board of Directors which defines the authority, duties, and responsibilities of the Board of Directors as well as the role and duty of the Chairman of the Board of Directors for use as reference in duty performance of every director of the Bank. The Charter has been effective since November 21, 2018, and has been reviewed to ensure constant appropriateness and recentness. Additionally, other clear policies and practices relating to the Board of Directors have been determined to cover various matters including the following matters.

- **Structure of the Board of Directors:** The number of directors shall be suitable for the organizational size, and the Board of Directors can efficiently perform its duties, and has an appropriate balance of power, with the number of independent directors in accordance with the rules of the regulatory agency.
- **Nomination of the Directors:** The person who holds the director office shall pass the nomination process of the Nomination and Remuneration Committee in accordance with the procedures of laws and Corporate Governance Code under the rules stipulated by the Bank. The nomination of directors is considered from various sources and the Director Pool to acquire the person with the determined knowledge and expertise under Skill Matrix, which is consistent with both the current and future mission and strategies of the Bank, including the sustainable development of the Bank. Therefore, the Board comprises a group of persons with diverse qualifications in terms of skill, experience, and specific capability which are useful for the Bank. The group comprises individuals with diverse expertise: at least one member possesses knowledge and skills in accounting and finance, another in information technology, and at least one non-executive director has work experience relevant to the Bank's business. In selecting these directors, personal differences such as religion, culture, race, gender, etc., do not serve as obstacles or restrictions for holding office.

- **Independence of the Board of Directors from the Management:**

The responsibilities and duties are clearly allotted between the Board of Directors and the Management. The Board of Directors is the policymaker for the Management to administer the Bank's work systems and activities to proceed lawfully and ethically. Additionally, the Chairman of the Board of Directors is also determined to be a different person from the Chief Executive Officer to avoid the unlimited authority of anyone. The separate roles and duties of the Chairman of the Board of Directors and the Chief Executive Officer are clearly determined.

- **Remuneration:** The Nomination and Remuneration Committee has a duty to review the director's remuneration by considering the suitability to retain quality directors with the Bank, has a policy for determining remuneration and rules for providing the director's remuneration in each position to be aligned with the director's accountability and the Bank's financial status, and comparable with the listed companies in the Stock Exchange of Thailand and commercial banks at the same level. Furthermore, the Bank has a policy of submitting all forms of directors' remuneration for annual approval at the Shareholders' Meeting. This policy ensures that directors do not receive any privileges beyond what the Shareholders' Meeting has approved.

- **Duty Performance Assessment of the Director**

The assessment of directors' performance is carried out through a combination of self-assessment, cross-assessment, and group assessment, conducted twice a year. The results of these assessments are then utilized for analysis, aimed at enhancing and developing work practices. Additionally, these outcomes contribute to evaluating the appropriateness of the composition of the Board of Directors.

- **Development of the Director:** The Board of Directors implements a policy that leverages analysis, assessments, and feedback, along with the Bank's strategic guidelines and the directors' skill matrix (covering educational qualifications and work experience), to devise a plan for improving the Board's corporate governance efficiency. This plan includes strengthening the directors' skills and knowledge through four types of implementation strategies: (1) training, (2) seminars, (3) field trips, and (4) mobile meetings and visits the operations and business entities of the Bank's customers. The Secretary of the Board coordinates these initiatives with relevant onshore and offshore government and private sector agencies to facilitate courses and activities for the Board's field trips, promoting the exchange of knowledge and experiences crucial to the Bank's key strategies and technology. This approach is designed to integrate new and noteworthy insights into financial and trade literacies, thereby fostering proactive change and enhancing competitiveness against future challenges.

- **Succession Plan:** The Board of Directors supervises the preparation of the succession plan and the development plan for senior executives to possess the knowledge, skills, experiences, and

characteristics necessary for driving the organization toward goals; and supervises to ensure the effective yearly assessment of the Chief Executive Officer and senior executives, the remuneration structure consistent with the corporate culture under risk concern, and the prudent and transparent determination system for senior executives consistent with duties and responsibilities, and performance consistent with short-term and long-term financial results of the Bank.

- **Supervision of Subsidiaries and Associated Companies:**

The Board of Directors has established a definitive policy for the supervision of management in both subsidiaries and associated companies. This policy is stringently enforced to optimize operational control and to align the interests of these entities with those of the Bank. Moreover, the policy includes a provision for routinely updating the Board of Directors, relevant sub-committees, or designated individuals on the operational outcomes, ensuring thorough oversight and coordination.

- **Establishment of Sub-Committees by the Board of Directors:** To help study and screen the works as necessary. The Board of Directors has approved the Charter of the Board of Directors and the Charter of the Sub-Committees. The Charters define the structure and composition, roles, duties and responsibilities, and office terms, as well as the Board of Directors and each Sub-Committee's Meetings for use as reference in duty performance. To ensure their relevance and appropriateness, both the Charter of the Board of Directors and the Charters of each Sub-Committee are regularly reviewed and updated.

6.1.2 Policies and Practices Relating to Shareholders and Stakeholders

The Board of Directors has a policy for the Bank to operate properly under the law and good ethics, with an efficient, transparent, and verifiable management system, which helps build the trust and confidence of the shareholders, investors, and all stakeholders and related parties. To lead the Bank towards stability, value addition, and sustainable growth, the explicit policies and practices relating to shareholders and stakeholders have been established to cover various subjects as follows:

- **Shareholder protection, equitable treatment of shareholders and promotion of the exercise of shareholder rights**

The Bank formulates the Rights of Shareholders Protection Policy to encourage and facilitate every group of shareholders, including minority shareholders, institutional investors, and foreign investors. The policy allows the shareholders to exercise their rights to attend the shareholders' meeting without any acts that violate or deprive their rights, whether it is a basic legal right, the right to make mutual decisions on important matters of the Bank through consideration of the agenda of the shareholders' meeting. Moreover, the Bank follows good practices for protecting the rights of

shareholders more than basic legal rights in other areas and does not perform any acts that may limit the shareholders' opportunity to study the Bank's information. The shareholders have the right to receive both financial and non-financial information and news of the Bank, important information, and annual performance reports which contain the information and details of the Bank's holding past shareholders' meetings. Such information is published via the Bank's website, which is easy and convenient to access. The Bank provides opportunities and informs clear channels for the shareholders to propose a meeting agenda or submit questions about the Bank in advance before the shareholders' meeting date. Furthermore, the Bank explains the reason in cases where the proposed agenda (if any) was not considered to be included in the meeting agenda or the Bank did not answer the questions submitted in advance (if any).

The Bank adheres to a policy of treating all shareholders equally and fairly, without any discrimination. It ensures fair oversight of interests and facilitates attendance at meetings by choosing accessible and sufficiently spacious venues. Moreover, the Bank provides adequate staff to assist and facilitate throughout the meeting, prepares security and emergency plans for attendees, and incorporates technology to enhance meeting management.

- **Prevention of the Use of Insider Information**

The Bank enforces a strict policy prohibiting directors, executives, employees, and other related persons from using insider information for personal benefits or disclosing it to others for acknowledgement. Additionally, the Bank has established procedures for the secure storage and prevention of the misuse of insider information. These procedures are documented and disseminated throughout the organization to ensure compliance by all members.

- **Prevention of the Conflict of Interest**

The Bank has the policy that the directors and executives shall report to the Bank on their stakes and their related persons' stakes concerning the entity management of the Bank or its subsidiaries. Additionally, any director with interest in meeting any matter, he/she shall not vote on that matter. The Chairman may invite him/her to leave the meeting temporarily.

- **Stakeholder Responsibility and Anti-corruption**

The Board of Directors establishes a policy for the Bank to treat its stakeholders by respecting their existing rights under the related laws and not perform any acts that violate the rights of the stakeholders. The action measures are taken against those who do not comply with the said policies and practices. In the case of violation of rights, there is compensation with an explicit, transparent, and fair sequence of steps, both in terms of discipline and legal action. Additionally, the Bank provides a process for promoting the cooperation between the Bank and its stakeholders in fair coordination of benefits and mutual strengthening wealthiness and sustainability for the entity covering the following matters.

- **Respect for Human Rights:** The Bank has a policy to operate the business by adhering to domestic laws, international laws, and the Universal Declaration of Human Rights (UDHR). The Bank supports the basic principles of human rights in every business line and in every area where the Bank operates its entity. The Bank respects the protection of human rights and is not involved in violation of human rights. The matters of human rights have been determined in the operation practices of employment and appointment for holding the office. Meanwhile, the Bank has taken good care of employees to be aligned with the International Labour Organization's Declaration on Fundamental Principles and Rights of Work.

- **Respect for Intellectual Property:** The Bank has a policy to operate the business without violating all intellectual property rights, whether being trademarks, patents, trade secrets, and other copyrighted achievements. In the use, publicity, or modification of any intellectual property, permission from the owner of that intellectual property is required. Meanwhile, every employee shall also protect the Bank's intellectual properties, which include patents, trademarks, copyrights, trade secrets, and other information belonging to the Bank.

- **Implementation of Sustainability and Environmental and Social Responsibility:** The Bank has operated under all 17 Sustainable Development Goals of the United Nations and the operating guidelines under the Stock Exchange of Thailand's ESG framework and set the goals of the Bank's sustainability implementation. Moreover, the Bank has also established the implementation framework for Corporate Social Responsibility (CSR) and Creating Shared Value (CSV) with a 5-year long-term master plan through the implementation of various projects, such as the Krungthai Loves Community Project, that provides knowledge to the communities nationwide for developing local products, managing the nature-balanced tourism, basic financial and marketing literacy, etc. Additionally, the Bank has cooperated with the United Nations Development Program (UNDP) to develop biodiversity in communities and the Green Financing projects that provide financial support to low-carbon businesses, etc.

- **Anti-Corruption:** The Bank has a policy to drive towards a moral model organization under the "Sustainable Krungthai" (Krungthai Khunnatham) Project and establishes Zero Tolerance policy to ensure enterprise-wide practices. The business is operated under laws, ethics, and related standards, anti-corruption, with a full range of actions including no demand, no receipt, no payment, and no business conduct with the persons and juristic persons involved in corruption, and adherence to the internationally accepted Corporate Governance Code. However, the Bank has established an "Anti-Bribery and Corruption Policy" and announced the said policy to the public, along with the preparation of an anti-bribery and anti-corruption handbook and prevention

of conflicts of interest handbook for the use of the Bank's employees and executives as the practical principles. The Bank has participated in the declaration of its intention with the CAC Project and passed a self-assessment process that the policies and practices for the prevention of corruption are completely established under the criteria defined by the CAC Council, which has been certified by the CAC Council and has been the CAC member. Moreover, the Bank has supported other related companies and business partners to have policy and publish the anti-corruption policies and participate as network partners (Change Agent). Additionally, the Bank has formulated the Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Policy under international standard guidelines, such as Vienna Convention (1998) and Financial Action Task Force (FATF), etc.

- **The Bank has implemented a Whistleblowing policy:** establishing a channel for anyone to report suspected offenses. This policy enables the reporting of any perceived misconduct by the Bank's directors, executives, employees, staff, or staff of affiliated companies. Such misconduct can include fraud, illegal activities, violations of laws, the Bank's regulations, or regulations set by various regulatory agencies. The policy assures that the identities of whistleblowers will be kept confidential and protected throughout the investigation process and after its conclusion.

6.2 Code of Conduct

Policies and Guidelines on Code of Conduct

The Board of Directors establishes a policy for the Bank to operate the business under good corporate governance guidelines and has approved and proclaimed the implementation of the CG Policy, Code of Ethics, and Code of Conduct Handbook, which has been continually reviewed and updated to ensure completeness, accuracy, and recentness under international standards. Such policies are applied as the practices for the Board of Directors, executives, and employees to be appropriate and consistent with the changing situations under the Bank's vision, mission, strategy, and business context to become an organization which is efficient and excellent in business operation based on ethical responsibility, takes into account every group of stakeholders, creates confidence and benefits for the shareholders who are vital for growth and process, creates sustainable entity values. Every employee shall adhere to and observe with responsibility, integrity, transparency, and fairness, to be in DNA and generate corporate culture, and every supervisor at all levels is designated that it is his/her duty to monitor compliance with the code of conduct, where signing for acknowledgement is required and it is deemed as part of the employee discipline.

The Bank regularly promotes the building of awareness on compliance with the good corporate governance guidelines, adherence to compliance with the Bank's corporate governance

principles and code of business conduct for the enterprise-wide employees. Additionally, information is presented through communication channels, such as CG training courses for senior executives, new entrant employee orientation, self-learning materials preparation through E-Learning, the intranet system, Lesson Learned, KM and the Sustainable Krungthai Initiative. Exhibition Boards and activity booths, and PR media are organized to publicize information/educate the employees in the organization and network partner organizations of the Bank through the Krungthai Intranet Website, HR news, the Sustainable Krungthai Initiative, Digital Signage System, and the ONE Krungthai Application. Furthermore, survey forms for the employee's perceptions, understanding, and implementation of corporate governance, anti-corruption, and the Code of Conduct are yearly conducted so that the survey results are used as information for improvement in next year's operations.

Additionally, if the Bank detects cases of misconduct under ethics and code of conduct, the Bank will properly consider in accordance with the Bank's disciplinary process, investigation, and trial for the offender, as well as examination for finding the causes and studying the guidelines for preventing the offences in such characteristics that may arise in the future for further planning the preparation of educating media in terms of ethics and code of conduct.

6.3 Significant Changes and Developments in Policies, Practices and Corporate Governance in 2023

6.3.1 Changes in Corporate Governance Code in 2023

The Bank is committed to operating under the Corporate Governance Code, with a process of reviewing, improving, and developing the policies, practices, and operating process by adhering to the principles of accuracy and transparency under the good corporate governance guidelines, which are consistent with laws and international standards and take into account the suitability of the Bank's business operations. In 2023, the Bank has reviewed the policies by the Corporate Governance and Social Responsibility Committee, and will proclaim at the beginning of 2024 as follows:

- **Review and update of Corporate Governance Policy for 2023 to be consistent with sustainability under international standards** by combining the matters of the rights of shareholders and equitable treatment of shareholders in the same category and adding the matter of business sustainability development in the category of concern on the roles of stakeholders.

- **Review and update of Code of Ethics for 2023** by adding the practices relating to the shareholders, regulatory agencies, business alliances, creditors, and competitors, and reviewing the practices relating to the customers, and practices relating to conflict of interest.

Corporate Governance Performance in Operating Year 2023 and Management Guidelines

• **The Bank creates perception and understanding and establishes the operating guidelines** for participation in driving the Bank's operations towards sustainability under the Sustainable Krungthai Initiative. The purpose is to continuously create a corporate culture with corporate governance principles, and business operations based on integrity, transparency, fairness, compliance with the set of regulations and laws with responsibility for society, the environment, and every group of stakeholders under the vision "Growing Together for SUSTAINABILITY." The survey results of perception, understanding and implementation of core value, and Krungthai Sustainability Initiative are in the 5-Level criteria for 2023 as follows:

Survey Results of Perception, Understanding, and Implementation	2022	2023	Level
Krungthai Sustainability Initiative Project	4.65	4.71	4
Core value, and Desirable Behavior	4.67	4.71	4

• **Sustainability Plan:** The plan emphasizes the adoption of OKR & Design Thinking to drive the organization's performance through a sustainability plan with an outstanding impact at the group level and the work plan of executives N-1, N-2, N-3 level executives and branch managers.

• **Krungthai Hackathon Project:** The Bank has integrated and upgraded the sustainability plan (Design Thinking & OKRs) and the significant projects of the Bank through the implementation of Krungthai Hackathon 1-2 Projects with the objective of creating a culture focusing the employee participation in thinking for solving problems at the corporate level by brainstorming for determining the solution guidelines in working and/or new concepts that can be taken to extend the future business operations of the Bank. For the development of skills and potentials in terms of Innovation, Creativity, and Design Thinking to the employees who participate in the Project, the Krungthai Hackathon #3 Project has, therefore, been implemented in 2023 to continuously create a culture focusing the participation on solution thinking at the corporate level and/or new concepts.

• **Creation of 5 keys of Core value Culture through One Krungthai Application:** The projects and activities have been driven and positively reinforced with Reward & Recognition. ESG media, complaint channels, and Social Community have been added, and knowledge has been shared on the following matters.

- Declaring honor for the person who is awarded from the Bank's significant projects (Hall of Fame)
- Displaying scores from participation in activities within the Application in combination with admired scores (Leaderboard)
- Constructing knowledge through concepts and skills from narrations and real experiences of successful people to create inspiration

- Admiring the employees for reflecting the image through all 5 keys of Core value (Endorsement)

- Granting of Coin Award to the persons who are successful in driving the projects, such as Sustainability Plan, Transformative Leadership, Present Project Show Case, and Krungthai Hackathon.

- Preparing PR media and activities for driving the ESG matter

- Opening the additional complaint channels in One Krungthai Application

- Adding social channels to share the knowledge interested by the employees

• **Communication:** encourages participation from employees within the organization, steering them towards effective and concrete implementation of practices.

- Cognizance for Error Avoidance ("Ru-Than-Gun-Plad")

Column: This includes communicating the case studies, regulations, practices, and penalties, summarizing the issues and communicating a set of regulations, work performance in the case of corruption incident through the mode of Clip VDO, testing the perception and understanding through the weekly Q&A activity.

- ESG: This includes communicating the role and duty issues, as well as the practices as the foundation for the employees to mutually drive the organization towards sustainability.

- Cooperating with the Stock Exchange of Thailand to provide knowledge and test the understanding of implementation

- Stimulating more participation in each work unit through the committee of each group

- Communicating and driving the activities through the One Krungthai Application: Mission to conquer ESG

• **Employee Engagement:** This includes an increase in survey score results in every factor and a higher trend of endorsement through the One Krungthai Application from:

- **Availability of Activity Project:** This Project empowers employee engagement and builds One Team to drive the Bank to achieve the goal of the Bank's strategies emphasized by the Board of Directors. The budget is allocated to each work unit to jointly organize the activities inside work units. The outcome includes very good feedback, enterprise-wide employee participation, and positive opinions on the Bank through the channel of the employee's personal facebook.

- **Availability of Employee Engagement Agent:** The purpose of this Agent is to be the representative of every group to be a crucial participant in improving, correcting, empowering, and upgrading more engagement of his/her group using the information from the Employee Engagement Survey to establish an Employee Engagement Plan for concrete practice.

- **Development of Engaging Leader:** To promote the executives in zone top performers to be able to concurrently improve

their performance and engagement of working team through Highly effective leaders in the flexible working scheme: This includes the provision of efficient work management and people management guidelines to fulfil new generation working trend by attending Workshop to focus on the executive participation in driving the empowerment and upgrade of engagement.

- **Availability of Recognition Culture:** The recognition culture is created through the One Krungthai Application. The activities are organized to promote by communicating, stimulating, and ranking the recognizing groups.

- **Happy Money Project:** The Project aims to cultivate internal stability and enrich the professional lives of employees. This is achieved by utilizing Agents as conduits for knowledge transfer, effectively integrating external insights into enterprise-wide practices. A key focus is transforming financial thinking, attitudes, and behaviors among employees through a financial skill empowerment course to reduce the risk of financial problems, a notable factor that could lead to employee corruption. To cater to diverse needs, the course is tailored for three distinct groups:

- **General Employees:** The 'Krungthai Happy Money in Action Course' is designed to effectively transform financial thinking and behavior offers practical guidance on debt management, savings, investment growth, and retirement planning, catering to the needs of individuals at different life stages. It incorporates practical courses and tools provided by the SET and is available as an e-learning module through the ONE Krungthai Application.

- **Financial Mentors:** In 2023, the retail banking group's financial mentors expanded, with 185 volunteers. These individuals are dedicated to assisting employees who face financial problems.

- **Employees with Financial Problems:** Employees in need of debt relief assistance can notify for financial mentor's guidance and advice.

- **Prevention of Corruption:** The executives who are responsible for Three Line of Defense give importance to Financial Crime by upgrading the significance level of prevention of internal corruption as follows:

- 1) The working group is set up from Three Line of Defense to mutually reprocess the branch's works, develop the system and update the rules.

- 2) Retail Banking Sales & Distribution Group uses the suspicious/risky transaction data from the RPA system to support Surprise Check.

- 3) The checklist for verifying the district office is revised and AI is applied to detect Suspicious Fraud.

- Employees from the human resource and corporate governance group, along with representatives from KTB General Services and Security Co., Ltd., Krungthai Computer Services Co., Ltd., and Krungthai Law Co., Ltd., participate in ESG (Environmental, Social, and Governance) study trips organized at the Stock Exchange of Thailand.

- Employees have engaged in comprehensive learning through various courses offered by the Stock Exchange of Thailand (SET) and the Thai Banking Academy (TBAC). These include the SET's 'ESG 101' and 'P01 Courses', which focus on implementing business sustainability. Additionally, they have participated in TBAC's courses on responsible banking, including 'Basic Principles for Responsible Banking', 'ESG: Overview of Thailand Taxonomy', 'The Next Chapter of ESG: Start with How', and 'ESG: Fundamentals of Responsible Banking'.

- Collaboration with the Communication and Branding Group has been established to organize a 'Human Rights Due Diligence' workshop. Representatives from relevant departments are invited to participate in the assessment of human rights risks.

- Workshop attendance to publicize the National Action Plan on Business and Human Rights, Phase 2 (2023-2027).

- Coordination efforts have been undertaken with the Procurement Strategy Department, business partners, and affiliated businesses to facilitate participation in the 'Road to Join CAC & SME Briefing Event', which focuses on understanding the Collective Action Against Corruption (CAC) and learning about guidelines for mitigating bribery. Additionally, employees from the HR Group are encouraged to take part in the 'Road to Certify' program, designed to provide essential knowledge prior to submitting for CAC certification.

- Development to extend and create a network towards sustainability under international standards

- The Bank was awarded for Human Rights Awards 2023 for Large Business Organization at a good level.

- The Bank was awarded for Model White Area Network for Corruption Prevention and Monitoring Award 2023 at a good level.

- Organizing the "Enhancement of Efficiency among Internal Audit Process, Disciplinary Consideration Process, and Appeal Process" Workshop, and proposing Back Bone Plan, the guidelines for integrating and upgrading the efficiency of the Bank's disciplinary process.

- Organizing Mission activities through the ONE Krungthai Application channel for general knowledge regarding practices, disciplinary and serious disciplinary offence punishments in the forms of Infographic and VDO (Podcast), and jointly conducting the weekly test for measuring knowledge and understanding of the content through Google Form.

- Human Resources & Corporate Governance Group in collaboration with Retail banking sales and distribution Group to be on tour to lecture and educate the employees in every networking group on the Topic "Signature Verification/Cheque Withdrawal Transaction" to build employee awareness, and to organize the "Enhancement of Efficiency among Internal Audit Process, Disciplinary Consideration Process, and Appeal Process"

Workshop to determine the guidelines for integrating and upgrading the efficiency of the Bank's process in an overview.

- Announcing the "No Gift Policy" Policy and notifying every group of stakeholders through the channels of the Bank's website, and the anti-corruption network of external agencies, such as the Office of NACC, Thai Private Sector Collective Action Against Corruption (CAC), etc.

At the Board of Directors' Meeting No. 27/2017 (974) on December 27, 2017, the Board of Directors considered the CG Code with responsibility and diligence and deemed that CG Code is the practice beneficial for the Board of Directors in its capacity as the leader or the highest responsible person of the organization, to adapt to be suitable with the Bank's business context to sustainably create the entity value. The Board of Directors also reviewed the bank's operations under the CG Code in each practice to ensure

that the outcome was appropriate. Furthermore, the Board of Directors deemed appropriate to consider and review the adoption of the CG Code under the Bank's business context at least once a year to appropriately and continually develop the operations in any areas under the CG Code, and record the consideration as part of the resolution of the Board of Directors. In the past, the Bank had yearly reviewed all the time. In 2023, at the Board of Directors' Meeting No. 24/2023 (1120) on December 13, 2023, the Board of Directors considered and reviewed the adoption of the CG Code under the Bank's business context, which was passed by the consideration of the Corporate Governance and Sustainability Committee with responsibility and prudence. The Meeting approved the maintenance of the appropriate operation policy under CG Code practice and the Bank's current practices that are consistent with the Bank's business context for three practices as follows:

CG Code Practices	The Bank's Practices Consistent with the Bank's Business Context
- The Chairman of the Board of Directors should be an independent director. - In the case where the Chairman of the Board of Directors is not an independent director, consideration should be taken as follow: - Composition of the Board of Directors comprising independent directors for more than half; or - Appointment of an independent director to mutually consider determining the agenda of the Board of Directors' Meeting	- The Charter of the Board of Directors has defined the composition of the Board of Directors that the Chairman of the Board of Directors must be an independent director or a non-executive director. In the case where the Chairman of the Board of Directors is not an independent director, the Board of Directors should promote the balance of power between the Board of Directors and Management by considering: - the composition of the Board of Directors comprises independent directors more than half of the total number of the Bank's directors; or - appointing an independent director to mutually participate in considering setting the agenda of the Board of Directors' Meeting. - As of December 31, 2023, the structure of the Board of Directors consists of 5 independent directors from the total number of 10 directors or equal to 50 percent of the total number of the Board of Directors members. - There is an adequate check and balance for the structure of the Board of Directors and Management. The Board of Directors has upgraded the work of independent directors by operating in the form of a panel in a nature similar to other sub-committees of the Bank. The independent directors who are part of the Board of Directors have participated in considering the agenda of the Board of Directors' Meeting before the meeting. The independent directors can independently propose opinions or suggestions about the meeting agenda to the Chairman of the Board of Directors in the case where it is deemed that there are significant matters or problem issues which should be considered and have not yet been filled in the meeting agenda by the Board of Directors. - In the case where the Chairman of the Board of Directors is not an independent director, it does not affect the use of discretion in making independent decisions. Additionally, the Bank has a guideline for checks and balances as follows: - The Bank has an adequate internal control system and operation mechanism with checks and balances, and transparency. The consideration of significant matters will be in the form of a panel, not subject to the decision of any director. - The Chairman of the Board of Directors is not an authorized signatory director, and not an executive director, and does not hold the office of a chairman and member in any of the Bank's sub-committees. - The Chairman of the Board of Directors is not the same person as the Chief Executive Officer whose roles and duties are clearly separated. The Charter of the Board of Directors has stipulated that the roles and duties of the Chairman of the Board of Directors are to efficiently govern and monitor the function of both the Board of Directors and the Management to accomplish the organization's objectives and main goals. The Chief Executive Officer is the highest executive of the Management and has duties to manage the Bank in line with the direction and policies determined by the Board of Directors.
The Board of Directors may consider arranging an external consultant to help determine the guidelines and suggest the issues in the performance assessment of the Board of Directors at least every 3 years; and disclose the said execution in the Annual Report.	- The Charter of the Board of Directors has defined some duties and responsibilities of the Board of Directors that the performance assessment in the type of self-assessment, cross-assessment, and group assessment is required twice a year, and the said assessment result shall be used to improve and develop working and support the consideration on the suitability of composition of the Board of Directors. However, the Board of Directors may consider arranging an external consultant to help determine the guidelines and suggest the issues of performance assessment of the Board of Directors under the rules and period deemed appropriate. The said execution must be disclosed in the Annual Registration Statement (Form 56-1) and Annual Report. - At present, the Bank has not yet appointed an external consultant to help determine the guidelines and suggest the issues of performance assessment of the Board of Directors since the Bank has had the existing appropriate performance assessment system for the Board of Directors. The rules for assessing in comparison with the principles/suggestions of the regulatory agencies and the organizations that supervise good corporate governance are formulated. The operation related to the performance assessment of the Board of Directors is disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report every year.

6.3.2 The Bank's operations under the CG Code practices on the Apply or Explain Approach

The Board of Directors has reviewed the Bank's operations under each CG Code Practice on the Apply or Explain Approach, and adopted as appropriate to the management, laws and set of regulations relating to the Bank's business operations. The said actions cover the policies and practices related to the Board of Directors, shareholders, and stakeholders to ensure the appropriate practices that benefit the Bank's sustainable value creation. The Board of Directors approved maintaining the appropriate operation policy under CG Code practice and the Bank's current practices that are consistent with the Bank's business context for 3 practices as mentioned above.

6.3.3 Practices in other matters under Corporate Governance Code

In the Bank's corporate governance operations, the Bank complies with the Principles of Good Corporate Governance for Listed Companies 2012 suggested by the Stock Exchange of Thailand, along with the Principles of Good Corporate Governance for Listed Companies 2017 (CG Code) recommended by the Capital Market Supervisory Board (CMSB) and the rules of the Corporate Governance Report for Thai Listed Companies (CGR) organized by the Thai Institute of Directors (IOD). The Bank has always received an overall assessment result under CGR at the "excellent" criteria. The implementation of corporate governance is summarized as follows:

1. Rights of Shareholders and Equitable Treatment of Shareholders

Policy relating to the protection of the rights of shareholders and the equitable treatment of shareholders

The Bank has established a policy for the protection of the rights of shareholders and the equitable, fair, and non-discriminating treatment of every shareholder. The Bank actively encourages and facilitates every group of shareholders, including minority shareholders, institutional investors, and foreign investors to attend the shareholder's meeting and exercise their voting rights in the shareholders' meeting. The Bank shall oversee to balance the interests of shareholders and every party of stakeholders with transparency, and fairness, without any act that violates or deprives the shareholders' rights and basic legal rights. Additionally, the Bank operates under good practices for protecting the rights of shareholders more than basic legal rights, without any act that may limit the shareholders' opportunity to study the Bank's information. The shareholders are entitled to be informed of the Bank's information both financial and non-financial information, including the important information publicized by the Bank through the Bank's website which can be easily and conveniently accessed. The Bank has facilitated by choosing a meeting venue that is easy to travel and sufficient for the number of shareholders attending

the meeting, assigning a receptionist to adequately oversee and facilitate throughout the meeting, preparing security and emergency plans for meeting attendees, including applying technology in managing the meeting. Additionally, in the Bank's regulations on shareholder meetings, there is no restriction on holding the shareholders' meetings via electronic media. Therefore, the shareholders' meeting may proceed via electronic media in the form of an "E-meeting" or Hybrid Meeting (Hybrid Meeting is in type of both Physical Meeting and E-Meeting), as enacted in the law on electronic meetings and the rules of the regulatory agencies. In preparation for holding the meeting each year, the Management shall consider the form of the meeting being held that is suitable for the situation.

1.1 Practices relating to the protection of the rights of shareholders

1.1.1 Shareholders' meeting

The Board of Directors holds the shareholders meeting as the annual general meeting within 4 months from the ending date of the fiscal year of the Bank. Other shareholders' meetings are called extraordinary meetings. An extraordinary meeting shall be called whenever deemed appropriate or within 1 month from the day that the written request was received from the shareholders under the rules prescribed by law. Each shareholders' meeting shall be held on the date, time, and venue of which the convenience of shareholders who will attend the meeting is considered. The Board of Directors supports the shareholders who are unable to attend the meeting by using a Proxy that allows the shareholders to determine the voting direction and supports the nomination of at least one independent director as an alternative to the shareholder's authorization. The meetings are managed in accordance with laws and Corporate Governance Code. Additionally, in preparing the meeting minutes, the essential information must be accurately and completely recorded, and the list of every director who attended and did not attend the meeting shall be disclosed and the proportion is shown in percentage. In the case of a serious infectious pandemic situation, the Bank shall consider and be aware of the safety and health of the shareholders and the public responsibility by formulating the measures and practices for meeting and delivering them together with the invitation letter, and informing the advice of the Office of the Securities and Exchange Commission and the related agencies in practice for the shareholders' meeting (if any), such as encouraging the shareholders to consider authorizing an independent director to attend the meeting instead of attending the meeting in person, etc.

In 2023, the Board of Directors called a shareholders' meeting as an annual general meeting and did not call it an extraordinary meeting. The Board of Directors scheduled the 30th Annual General Meeting of Shareholders (2023) on April 7, 2023 at 2 p.m. at Athenee Crystal Hall Room, 3rd Floor, The Athenee Bangkok Hotel, a Luxury Collection Hotel, No. 61, Witthayu Road, Lumpini

Sub-district, Pathum Wan District, Bangkok Metropolis, and prepared map and travelling information as attachment as part of the invitation letter, and delivered to every shareholder who is entitled to attend the meeting. The Bank informed the information to the shareholders and investors through the electronic media system on the Stock Exchange of Thailand's website.

However, due to the COVID-19 pandemic, the Bank is aware of the safety and health of shareholders, and public responsibility. Therefore, the measures and practices for the 30th Annual General Meeting of Shareholders (2023) were formulated and delivered together with the invitation letter. The Bank asked for the collaboration of the shareholders and proxies to perform and acknowledge the matters, such as asking the collaboration on distancing, and wearing mask at all times of staying inside the meeting venue for the safety of the shareholders and the nearby persons, and notifying in the invitation letter that the Office of the Securities and Exchange Commission (SEC) and the related agencies support the shareholders to consider authorizing an independent director instead of attending the meeting in person.

1.1.2 Meeting invitations and meeting documents

After the Board of Directors' Meeting No. 4/2023 (1100) on February 22, 2023, resolved to schedule the 30th Annual General Meeting of Shareholders (2023) on April 7, 2023. The Bank simultaneously publicized the resolution of the said Board of Directors' Meeting in both Thai and English, which contains the details about the date of the shareholders' meeting, agenda of the shareholders' meeting, and opinions of the Board of Directors on each agenda, and record date, for acknowledgement of the shareholders and investors via electronic news system on the Stock Exchange of Thailand's website and the Bank's website on March 9, 2023.

The Bank prepares the invitation to the meeting and meeting documentation, including the Annual Report both in Thai and English. The invitation letter contains the information determining the meeting date, time and venue, and the meeting agenda specifying that they are agenda for acknowledgement or approval consideration. The meeting agenda is clearly determined in specific matters. An approval of each matter is separately requested, for instance, in the agenda related to the Board of Directors, the matters of the election of directors and approval of the director's remuneration, etc. However, each meeting agenda adequately contains the objective and reason, opinion of the Board of Directors, and detail of the related information to support the consideration on each agenda, such as:

- Election of Directors Agenda: This agenda contains supporting information, such as name-surname, age, educational background, work experience, the number of companies of which the directors hold office, in separation into the topic of listed companies and the entities which are non-listed companies/other

organizations, the rules and procedure for nomination, type of the proposed director. Additionally, in the case where the existing director is nominated to resume the office, the information on meeting attendance in the previous year, the appointment date as the director, and the number of years as the Bank's director shall be provided.

- Directors' Remuneration Agenda: This agenda presents the policy for determining remuneration and the rules for providing remuneration for the directors in each position. The amount of every type of remuneration shall be yearly proposed to the shareholders' meeting for approval, i.e. monthly remuneration and meeting allowance of the Board of Directors, and meeting allowance for sub-committees.

- Auditor Appointment and Audit Fee Determination Agenda: This agenda contains the information about the candidates who will be the auditors, such as the audit firm of which the auditor is in service, the name and details of the proposed auditor for appointment, information that shows the auditor's independence, and the proposed amount of audit fee, etc.

- Dividend Payment Approval Agenda: This agenda discloses the Bank's dividend payment policy, the dividend rate proposed for payment together with reason and information that supports the consideration, etc.

The Bank has informed in the invitation to the meeting that the shareholders who have questions or wish to know the information related to the meeting agenda and any other matters can send questions in advance to the Bank at E-mail Address: share.holder@krungthai.com or contact the Office of the Board of Directors, 13th Floor, Nana Nua Building, Tel: 0-2208-4132 and 0-2208-4148 for the Bank to answer on the meeting day.

The Bank facilitates the shareholders who cannot attend the meeting in person to enable to use of Proxy for other persons to attend the meeting and cast a vote on their behalf. The Bank delivered the following documents together with the invitation to the meeting to the shareholders, i.e. all 3 proxy forms as determined by the Ministry of Commerce: Form A - General form which is simple and uncomplicated, Form B - A form containing the fixed detailed authorizing list, which is recommended by the Bank for use, and Form C - A form particularly used in the case where the shareholder is a foreign investor and appoints a custodian in Thailand to be the custodian of shares. The Bank also proposes the names and information of 4 independent directors as authorization alternatives. The evidence that must be used to show the right of meeting attendance includes documents or evidence, and instructions for authorization procedures without determination of any conditions which are difficult for the authorization of shareholders.

1.1.3 Proceeding the Shareholders' Meeting

The Bank has a policy that the Chairman of the Board of Directors, the Chief Executive Officer, and the Chairmen of every Subcommittee shall attend every shareholder's meeting, except they will be engaged with important and necessary tasks causing them unable to attend the shareholders' meeting. The purposes of their meeting attendance are to clarify operating performance and management policies, to answer any queries for acknowledgement of the shareholders, and to assign an independent vote-counting inspector. However, in the 30th Annual General Meeting of Shareholders (2023), 12 directors of the Bank attended the shareholders' meeting, representing 100 percent of the total number of directors. Additionally, the Chief Financial, Strategy & Resources Management Officer as a Chief Financial Officer (CFO) also attended the meeting. The Bank assigned Krungthai Law Co., Ltd. to act as an inspector of the meeting to supervise the vote count to ensure that the meeting transparently and properly takes place under laws, the Bank's regulations and the Corporate Governance Code. It also invited one minority shareholder to be a representative of the meeting to mutually witness the vote count. Furthermore, the Bank's auditor for the year 2022 from EY Company Limited attended the meeting to clarify and answer questions about the financial statements at the meeting. The representatives of the Rights Protection Volunteer Member and Thai Investors Association also attended the meeting. Before entering the meeting agenda, the Chairman of the Board of Directors who acts as the Chairman of the Meeting informed the shareholders of the list of directors, the chairman of the subcommittees, and executives, as well as the aforementioned meeting attendees, for acknowledgement.

The Bank arranges the use of ballots in each agenda for consideration by utilizing technology, such as computer systems, Bar Code/QR Code for registration and vote count, as well as display of the results in each agenda. This helps efficiently and quickly proceed with the meeting. However, before entering the meeting agenda, the Chairman of the Meeting assigned the assistant secretary to inform the shareholders of the Articles of Association in part relevant to the meeting and the rights of shareholders, the set of regulations and rules used in the meeting, inquiry or opinion, and voting and vote count. Additionally, the Bank protects the rights of shareholders by not unnecessarily adding the meeting agenda that has not yet been notified in advance, especially important agenda that shareholders need to take time to study the information before making a decision, unless proper proceeding under the procedures required by law. In the past, including the 30th Annual General Meeting of Shareholders (2023), the shareholders' meeting considered the matters in the order of agenda as specified in the invitation letter that the Bank delivered to the shareholders in advance without changing the order of the meeting agenda, and without adding other agenda not specified in the invitation to the meeting.

In the agenda for the election of directors, four directors were considered for appointment in replacement of the directors whose term of office expired. The Board of Directors proposed a list of directors considered by the Nomination and Remuneration Committee under the director's nomination policy and process. The shareholders shall consider and vote to elect the directors one by one. Every director who was nominated to resume office for another term temporarily left the meeting room until the shareholders' meeting had already considered and voted. Then, they returned to the meeting room. The chairman informed the names-surnames of the directors and election voting results on an individual basis.

However, on every meeting agenda, the Chairman of the Meeting gave opportunity and time for all shareholders to have equal rights to independently examine the Bank's operations, inquire, express their opinions, and make suggestions in matters related to the agenda or about the Bank in the adequate time and in accordance with the methods appropriate for the COVID-19 pandemic situation. The time required for the meeting was concise and efficient, as notified to the meeting before the start of the meeting agenda. The Bank first answered the shareholders' questions after considering the specified meeting agenda and the related questions. For other questions, the Bank will publish the answers on the Bank's website. The Bank recorded those important issues and clarifications of the Bank in the Minutes of Shareholders' Meeting.

1.1.4 Disclosure of Resolutions and Minutes of Shareholders' Meeting

After the 30th Annual General Meeting of Shareholders (2023) ended, the Bank published the resolutions of the shareholders' meeting and the voting results, agreed, disagreed, and abstained, on each agenda both in Thai and English, to shareholders and investors through the electronic news system on the websites of the Stock Exchange of Thailand and the Bank before 9.00 a.m. of the next business day.

In preparing for the Minutes of the 30th Annual General Meeting of Shareholders (2023), the Bank recorded the details in the following matters.

- Name list and position of every director attending the meeting and absent, including the Chief Executive Officer, and name list of the Company Secretary who acted as the secretary of the meeting and the Assistant Company Secretary who acted as the person who proceeded to the meeting, as well as the senior executives of the Bank, and Chief Financial, Strategy & Resources Management Officer, auditors, representatives of the rights protection volunteer members and the Thai Investors Association, the representatives of Krungthai Law Co., Ltd. who acted as the meeting inspector, and the minority shareholders who nominated themselves to be the representatives at the meeting to mutually witness the vote count;

- Method of voting by ballot on each agenda, vote count by computer system and meeting resolutions, and method and procedure of inquiry or opinion, of which their details were clarified by the Assistant Company Secretary to the shareholders before the meeting agenda start;

- The Chairman's invitation speech delivered to the shareholders who wished to inquire or express their opinions on each agenda, the names-surnames of shareholders, and a summary of the essence of questions, opinions, and suggestions, and the names and surnames of the Bank's directors and executives who answered and clarified each agenda, including questions that the shareholders wrote and left the queries;

- Resolutions of the shareholders' meeting and details of the number and proportion of the shareholders' votes in each agenda, clearly specifying as agreed, disagreed, abstained, and voided ballots.

1.2 Practices for Equal Protection of the Rights of Shareholders

The Bank's shares consist of two types: ordinary shares and preferred shares, where both of which have an equal vote that is 1 share equals 1 vote, and the majority vote is adhered to as a resolution unless otherwise specified in the Bank's Articles of Association or otherwise required by law. The Bank determines a process in a manner that supports the equitable and fair protection of the basic rights, as follows:

- On the agenda for consideration of directors' remuneration, the Bank annually proposes every type of monetary remuneration to the shareholders' meeting for approval consideration. There are no other privileges for directors other than those approved by the shareholders' meeting. The Bank specified in the invitation to the shareholders' meeting about the determination of the policy and rules for remuneration of directors and subcommittees by comparing the rules and rate of remuneration payment and considering the appropriateness of duties and responsibilities in providing policies, solving problems, and making decisions in the Bank's business operations to achieve the Bank's target and business direction, which have been compared with the listed companies in the Stock Exchange of Thailand and commercial banks at the same level, and considered by the Nomination and Remuneration Committee. It is also stated that the Bank does not grant other privileges to the persons who hold the office of the Bank's directors. However, the Bank proposed the remuneration amount and the remuneration information in the previous year. At the 30th Annual General Meeting of Shareholders (2023), the Meeting resolved to approve the director's remuneration for the year 2023, i.e. monthly remuneration and meeting allowance of the Chairman of the Board of Directors and the members of the Board of Directors, and meeting allowance of the Chairman of the Committees and Subcommittees, the Labor Relations Committee, the subcommittees, and other working groups, including the director's gratuity for the year 2022 as proposed.

- The Bank provides an opportunity for the shareholders to propose matters that they deem appropriate to be included in the agenda of the shareholders' meeting in accordance with the criteria set by the Bank. To ensure the participation of shareholders in the supervision of the Bank and the selection of qualified persons to hold the director office and efficiently perform their duties for the maximum interests of the shareholders, the Bank gives the shareholders the opportunity to nominate candidates together with qualification information and consent of the nominees to be selected through the Nomination and Remuneration Committee, and the Board of Directors shall consider proposing to the shareholders' meeting for consideration and election as directors. Such execution shall comply with the rules prescribed by the Bank. However, both executions proceeded through the Bank's website in advance for the last 3 months before the ending date of the fiscal year on December 31 of every year. The 30th Annual General Meeting of Shareholders (2023) determined the period from October 1 to December 31, 2022. The Bank notified the shareholders of their rights via the electronic news system on the website of the Stock Exchange of Thailand and the Bank's website on September 27, 2022, and no shareholder nominated any person and proposed any meeting agenda. However, on the date of the shareholders' meeting, the Assistant Secretary of the Meeting informed the Meeting before entering the meeting agenda, and the Bank recorded the said message in the Minutes of the Shareholders' Meeting.

- The Bank published the information of the final version of the invitation to the shareholders' meeting and meeting documentation both in Thai and English, which can be downloaded on the Bank's website from March 8, 2023, to allow the shareholders enough time to study the information in advance before receiving the information in documentary format from the Bank. For delivery of the invitation to the meeting to the shareholders, the Bank assigned Thailand Securities Depository Co., Ltd., the Bank's share registrar, to execute. The invitation to the meeting was delivered to every shareholder by separating the Thai version for Thai national shareholders and the English version for the foreign shareholders. The delivery was performed by post on March 23, 2023. Furthermore, the Bank publicized in a daily newspaper for 3 consecutive days in advance before the date of the shareholders' meeting from March 28 to 30, 2023. After the shareholders' meeting ended, the Bank published the Minutes of the Shareholders' Meeting on the Bank's website within 14 days from the date of the shareholders' meeting, which is April 21, 2023. The said Minutes of the Meeting can be downloaded both in Thai and English versions. The Bank notified the information via the electronic news system on the website of the Stock Exchange of Thailand and the Bank's website on the said date to notify the shareholders about the publicizing news of the Minutes of the Shareholders' Meeting and allowed the shareholders who have questions or opinions on the said Minutes of the Meeting to enable to ask question or express their opinions to the Bank within 1 month from the date of the meeting resolution.

1.3 Policy for Preventing and Managing Conflicts of Interest

The Board of Directors has the policy to manage the organization with transparency and accountability in accordance with the guidelines for driving the organizational management under the framework of good governance system to prevent conflicts of interest and promote corporate culture for directors, executives, and employees of the Bank to have attitudes and values of work performance with integrity, transparency, morality, ethics, and professionalism. The Bank's Board of Directors shall review any conflict of interest or interest in its operations on a regular basis. They must take into account the Bank's interests without conflicts of interest as well as influence from peers that would cause misuse of their authority to create benefits for themselves and their peers, regardless of whether such acts will cause damage to the Bank or not. The tools, rules, and measures for managing to prevent and manage conflicts of interest are determined to ensure efficient and transparent management for the maximum interests of the Bank and must be strictly adhered to and complied with by every director, executive, and employee of the Bank, and regarded as part of the employee discipline, including related legal actions.

Practices for Preventing the Conflicts of Interest

1.3.1 The Board of Directors has approved and announced the code of conduct handbook with the objective to be used as a guideline for every director, executive, and employee of the Bank for self-conduct within the set of regulations, and business operations which are ethical and comply with laws. Additionally, it is not just compliance with this code of conduct but also includes understanding and intention to comply with laws. It has been determined to be the duty of every supervisor at every level to monitor to ensure compliance with the code of conduct and regard it as part of employee discipline. In this regard, the conflicts of interest have been determined as part of the code of conduct, which contains the principles of practices on using insider information, hindering information and activities of personal investments, avoiding conflicts, and receiving and giving interest which is an incentive. A handbook for preventing conflicts of interest should be prepared for use by the Bank's employees and executives as a principle of practice.

1.3.2 Protection of the Misuse of Insider Information

- The Bank has a policy to prohibit the directors, executives, employees, and other related parties from using the insider information obtained from the Bank for personal interest or publicizing it to other persons. The Bank also determines the storage and prevention of the use of insider information in writing and notify the said guideline to everyone in the organization. The core policy of the Bank prohibits employees from engaging in transactions involving the purchase, sale, transfer or receiving of securities that could disadvantage third parties. This includes any actions based on insider information that could materially affect security prices and which has not been publicly disclosed or

announced to the Stock Exchange of Thailand. Employees are forbidden from using such confidential information, obtained through their position or employment at the Bank, for personal gain or for the benefit of others. Furthermore, disclosing this insider information to enable others to undertake such transactions for profit is also strictly prohibited. However, non-compliance or violation will be considered under the Bank's operating regulations as well as the related legal actions.

- The Board of Directors, the Chief Executive Officer, the senior executives designated by the Bank, and the holders of the Department Head or equivalent or higher within the Accounting or Finance Department have the duty to report to the Office of the Securities and Exchange Commission (SEC) the changes in holding the securities issued by the Bank, of themselves, their spouses, and their minor children under the rules and period determined by the SEC.

- The Bank has monthly reported the Bank's shareholding of the Bank's directors, the Chief Executive Officer, and the senior executives designated by the Bank, including their spouses and their minor children, to the Board of Directors' Meeting, and disclosed the Bank's shareholding and the changes of the Bank's shareholding in last year in the Annual Report of the Bank.

- The Bank supervises the trading of securities and prevents the use of insider information by determining a limited period of trading of securities issued by the Bank and notifying the rules and regulations for prevention of the use of insider information to the directors and employees through various communication channels of the Bank.

- The Board of Directors has a policy that the Bank's directors shall notify the Secretary of the Board of Directors, and the senior executives shall notify the Retail Banking Regulations and the Market Conduct Department about the trading of the Bank's shares at least 1 day before trading.

1.3.3 Conflict of Interest of the Director

- At the Board of Directors' Meeting No. 13/2009 (751) on June 18, 2009, the Board addressed the execution of Sections 89/14, 89/15, and 89/16 of the Securities and Exchange Act B.E. 2535 (1992). It was determined that the Bank's directors and executives are required to report on their own and their related parties' interest in the management of the Bank and its subsidiaries under the format specified by the Bank. The Company Secretary is responsible for storing these stakeholding reports and must submit copies to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 business days of receipt. In alignment with these regulations in 2023, the Bank's directors and executives have consistently complied with the reporting rules and procedures set by the Board. Additionally, according to Article 34 of the Bank's Articles of Association, any director with a personal interest in a matter being discussed at a meeting is prohibited from voting on that issue and may be asked by the Chairman to temporarily leave the meeting.

1.3.4 Related-Party Transactions or Connected Transactions

The Bank has an internal system called "White List", which is a system that collects the name list of directors and senior executives, including the related parties and related juristic persons, under the rules of the Financial Institution Business Act, so that the internal work units can use them as a primary database to supplement with other sources of information in checking the name list of the related parties who will cause the Related-Party transactions or connected transactions. The policies and practices are as follows:

Policy for Related-Party Pricing

To prevent conflicts of interest that may arise from conducting the related-party transactions, the Bank determines to use market price or fair price in performing every type of transaction. Unless otherwise specified in the set of regulations by the regulator, the said set of regulations shall be observed.

Measures for Approval of the Related-Party Transactions or Connected Transactions

The Bank places a high priority on preventing conflicts of interest in related-party or connected transactions. In its approval processes for these transactions, the Bank meticulously considers potential conflicts of interest, ensuring decisions are made with prudence, integrity, and in good ethical framework, adherence to the business code of conduct, and the Bank's corporate governance principles. The 'Legal Compliance & Financial Crime Group' is tasked with overseeing and verifying the approval procedures for such transactions, in accordance with regulatory rules and requirements. Additionally, any related-party or connected transaction that requires the Board of Directors' approval, as determined by regulatory guidelines or the Bank's own procedures, is subject to a specific code of conduct formulated for the Bank's directors. This code governs their involvement in approving these transactions as follows:

1) The director must disclose information on the transactions that may have a conflict of interest, or the connected transactions or related-party transactions under the requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

2) The director with interest is prohibited from involving and taking part in the approval consideration. In the case where the connected transactions are conducted, the Audit Committee shall participate in consideration and comment under the Corporate Governance Code and the rules of the Stock Exchange of Thailand.

3) Lending or investing in the business in which the director has a related interest must be unanimously approved by the Board of Directors' Meeting without the participation of such director in approval consideration. Prices and conditions must be determined in the ordinary course of the Bank and carried out like general customers to prevent conflicts of interest.

2. Concerning the Role of the Stakeholders and Sustainable Business Development

2.1 Driving Business for Sustainability

The Bank has established a policy framework, guidelines, and goals of sustainability management in various dimensions covering the environment, society, good governance, and economy aspects. However, the details are disclosed on the website and in the Sustainability Report 2023.

2.2 Responsibility to the Stakeholders

Policy for Responsibility to the Stakeholders

The Bank has a policy and is aware of the treatment of the groups of stakeholders, both inside and outside the Bank, by respecting the existing rights under the relevant laws. There must be no acts that violate the rights of stakeholders in matters of respect for human rights, respect for intellectual property rights, procurement with the government sector, anti-corruption, and practices and code of conduct for stakeholders consisting of the employees, customers, shareholders, regulatory agencies, the Bank's business partners and business alliances, creditors, competitors, society, and environment.

2.2.1 Practices and Guidelines for Stakeholders

The Bank is aware of the rights and roles of various groups of stakeholders, both inside and outside the Bank, by taking into account and adhering to the following practices:

2.2.1.1 Respect for Human Rights

The Bank has the policy to operate the business by adhering both to domestic laws and international laws, the universal principles of human rights, and the Universal Declaration of Human Rights (UDHR). The Bank encourages the basic principles of human rights in every business line and every area where the Bank operates its entity. The Bank also respects the protection of human rights and is not involved in violation of human rights under the principles set out in the United Nations' Universal Declaration of Human Rights.

2.2.1.2 Respect for Intellectual Property Rights

The Bank has a policy to operate the business without violating all intellectual property rights, whether being trademarks, patents, trade secrets, and other copyrighted works. When using or modifying any intellectual property, it is required to obtain permission from the owner of that intellectual property. All employees are required to protect the intellectual property of the Bank which includes patents, trademarks, copyrights, trade secrets, and other information which belong to the Bank.

2.2.1.3 Procurement with Government Sector

The Bank competes in trade or business with integrity by transparent means. Any operations of the Bank related to the procurement process shall properly take place under the process determined by laws and set of regulations on procurement. Additionally, the Bank shall not interfere with or use personal relationships for any improper acts with government officers to

acquire any contracts or agreements from government sector agencies and state enterprises both within the country and abroad; and shall observe anti-bribery and anti-corruption policy.

2.2.1.4 Guidelines for Stakeholder Treatment

The Bank categorizes stakeholders and strictly complies with the policy for stakeholder treatment as follows:

- Treatment of Employees

The Bank has policies and guidelines for employee treatment at every level by giving importance to personnel management and development, giving an equitable and fair opportunity for career growth of the employees in accordance with the related laws and standards, respecting human rights, along with supervising salary, remuneration, and other benefits that are appropriate for duties and responsibilities. The performance is measured under the Performance Driven Organization (PDO) Policy, whereby the employees will receive rewards consistent with their performance. The Bank trains and develops the skills, knowledge, and competencies of the employees to create the highest working potential to always be ready for business competition and promotes the employees to have a better quality of life by arranging a variety of welfare, atmosphere and environment to be safe and favorable for working that requires the execution of laws, promotes and supports the employees to treat one another with mutual honor. Additionally, the Bank grants the rights and freedom of association and collective bargaining, which are regarded as fundamental rights to protect in cases where the employees are taken disadvantage by the employer.

Furthermore, the Bank promotes knowledge and emphasizes employee safety by arranging the atmosphere and environment that are safe and favorable for working, formulating the safety measures that must be taken in accordance with laws, and preparing an emergency plan manual for use as a guideline for safeguarding oneself and the Bank's properties, both in a normal situation or upon critical incidence, as well as managing a pandemic state. Additionally, the Bank also encourages and supports the employees to treat one another with honor under the guidelines set forth in the Code of Conduct for Employees Handbook. The Bank continually organizes training courses regarding safety for the employees. In 2023, the Bank organized training courses for the executive level and supervisory level safety officers, safety, occupational health, and working environment courses for general employees and new entrant employees, and Cardiopulmonary Resuscitation (CPR) and Automatic External Defibrillator (AED) training course.

The Bank grants the rights and freedom of association and collective bargaining, which are regarded as fundamental rights to protect in cases where the employees are taken disadvantage by the employer. The Labor Relations Committee's Meetings are held monthly, and the meeting is scheduled at least once a month.

Additionally, the Committee also conducts negotiations under the Labor Relations Act B.E. 2518 (1975) by holding the Employee Committee and the Welfare Committee at least once every three months.

In 2023, there was a meeting between the employer representatives and employee representatives. The mode of communication between the senior executives and the employees was provided in the manner of a Joint Consultation Meeting to ensure that the employees have been informed of the organization's operational guidelines, obstacles or impacts that may arise in the development and improvement of the operational efficiency of the organization. The meeting mainly focused on employee participation and opinions. The Bank is assured that good communication and exchange of ideas between the Bank and employees will lead to good relationships and mutual achievement of the organizational goals, including promotion of employee engagement and retention with a plan to increase employee satisfaction or engagement, such as Nakhonpathom provincial mobile employee relations meeting, etc., without derogating the rights to assemble for negotiating the employee privileges.

- Treatment of Customers

The Bank has a policy to serving customers with dedication, strength, and capacity, ensuring equality and fairness in all interactions. Operations are conducted in compliance with relevant laws and standards. The Bank offers a diverse array of high-quality financial products and services, continuously improving processes and integrating modern technology to enhance service channels. This approach aims to facilitate customer access to services, reduce costs, and meet customer needs and expectations for maximum benefit and satisfaction. To ensure customer data security, the Bank has implemented stringent measures for the protection of customer data, ensuring confidentiality and non-disclosure except where legally required or with the customer's written consent. Additionally, the Bank provides a dedicated channel for customer complaints, with a specialized unit responsible for attentive problem resolution. This unit also monitors and evaluates customer satisfaction to inform product and service enhancements. Furthermore, the Bank engages in responsible advertising, publicity, and sales promotion (Sales Conduct), ensuring clarity and avoiding any potential customer misunderstanding (Market Conduct).

- Treatment of Shareholders

The Bank implements its policy of protecting shareholders' rights and treating them equally and fairly and commits to continuously and stably conduct business with prudence and transparency, completely comply with the related laws, set of regulations, or requirements, and adhere to the business code of conduct to build the shareholders' confidence and trust. Additionally, the Bank commits to develop and boost its competitiveness to add value for the shareholders in the long run.

- Treatment of Regulatory Agencies

The Bank believes that proper business operations along with good ethics is an important foundation for the continuous stable and sustainable growth of the Bank in its business operations. Additionally, to aim at generating profits for shareholders, creating wealth for customers, and supporting the whole society to have a better quality of life, the Bank has a policy to strictly comply with the laws, notifications of requirements and set of regulations of the regulatory agencies, as well as cooperate and coordinate with various related agencies to jointly strengthen the stability and growth of the nation.

- Treatment of Business Partners and Business Alliances

The Bank has policies and guidelines for conducting business with every business partner equally under the framework of the supplier code of conduct. To achieve transparency, there is a fair procurement process and conditions of the contracts or agreements that adhere to the utmost interests of the Bank and do not benefit oneself or peers. Accurate, complete, and truthful information is provided to business partners. To avoid various scandals and prevent the inclination that may be especially favorable in return for any party, the Bank avoids receiving gifts, rewards, entertainment, or services particularly arranged and provided personally or in groups. In this regard, the Bank strictly adheres to the procurement regulations, and formulates policies about fair treatment and responsibility for business partners in writing and publishes them on the Bank's website (<https://eprocurement.krungthai.com/procureweb/Home>), including a manual of guidelines for procurement operations, such as the supplies procurement policy, merchant selection criteria, guidelines for working with the Bank, procurement announcements, etc. Additionally, the Bank encourages the sustainable development of business operations with suppliers, such as assisting in providing knowledge, developing potentials, and upgrading the standardized manufacturing and service capability, and supervising the suppliers to respect human rights and treat their labor fairly, including being socially and environmentally responsible, monitoring, inspecting, and evaluating the suppliers, etc.

For business alliances, the Bank has policies and guidelines determined to comply with the agreements made with the Bank's business alliances, support the businesses and connect each party's benefits in terms of knowledge to develop potential and elevate the ability to provide standardized services for the entire business outcomes.

- Treatment of Creditors

The Bank formulates policies and guidelines for every group of creditors based on receiving fair returns for every party under contracts or conditions strictly agreed upon. In the case of failure to comply with any condition, advance notice shall be given to the creditors to mutually consider finding a corrective guideline. In business negotiations, the Bank shall refrain from demanding, receiving, or paying any dishonest benefits in trade, and regularly report accurate, complete, and timely financial information to the creditors.

- Treatment of Competitors

The Bank has a policy to conduct business with fair competition, openness, and transparency without unfair competitive advantages, and has no policy to compete by slandering, bullying, or distorting the facts of competitors. In the meantime, the Bank avoids making agreements or talking, arguing with employees of other agencies or financial institutions about location, geography, marketing, customer allocation, interest rates, and fees, including products, services, or business plans that may affect the Bank's business competition. If any non-compliance with the policy is detected, the Whistleblowing can be done through the Bank's Whistleblowing channel.

- Treatment of Society and Environment

The Bank has a written policy on social and environmental responsibility published on its website. The aim is to cultivate awareness of social and environmental responsibility among executives and employees at all levels through policies and projects on Corporate Social Responsibility (CSR) that support sustainability. This foundation is rooted in Environmental, Social, Governance (ESG) management, with a commitment to being a good organization for society and participating in developing a good quality of life for communities and society as a whole. It covers the principles of giving back and social responsibility, focusing on sustainable development, including taking care of the environment to ensure efficient and effective use of resources. Additionally, it reduces environmental impacts from operations. The Bank provides a training course on financial literacy and digital literacy to enable household accounting, financial planning, and expense control, while also promoting the quality of life of communities and society through a series of social activity projects aimed at developing and promoting careers for communities. This approach generates income for communities while cultivating environmental awareness throughout the project. The Bank's operations will focus on engaging employees and external stakeholders, including specialists, to ensure that it fosters collaboration in society and expands its potential for efficient operation. The progress of various project implementations will be annually documented and published in the Bank's Sustainability Report.

2.2.1.5 Stakeholder Engagement Opportunity

The Bank has established a process to promote cooperation between the Bank and stakeholders to connect fair benefits and mutually strengthen the entity's wealth and sustainability and allow the external stakeholders to participate in activities periodically organized by the Bank, such as granting the shareholders the right to freely express their opinions in the shareholders' meetings, proposing agenda, and nominating the appropriate persons for selection as the Bank's directors. The Bank has also established a process for stakeholders to allow them directly to contact the Board of Directors and related work units of the Bank to make suggestions, provide useful information for the Bank's business operations, or make whistleblowing and complaints in cases of corrupt, wrongful, and non-transparent practices through various channels of the Bank, such as the Bank's Call Center and website.

2.2.2 Whistleblowing and Complaints

Whistleblowing Policy

The Bank gives the shareholders the opportunity to make whistleblowing of the offence through various channels. If anyone detects the offence of the directors, executives, employees, and staff of the Bank, or the employees of the affiliated companies, whether being corrupt practice, illegality, and breach of the Bank's regulations or set of regulations of the regulatory agencies, he/she can make whistleblowing through the determined channels. However, the whistleblower's information will be kept confidential and appropriately protected both during the investigation and after completion of the process.

Whistleblowing Channels

- Chairman of the Board of Directors at E-mail : whistletruth@krungthai.com
- Whistle Blowing Team E-mail : whistle@krungthai.com
- Post : Whistleblowing Team
The Office of the President Krungthai Bank PCL,
35 Sukhumvit Road, Klong Toey Nua, Wattana,
Bangkok 10110
- Tel. : 0 2208 4120 (Monday - Friday at 08.00 a.m. - 5.00 p.m.)
Fax. : 0 2256 8778

Complaint Policy

The Bank has managed market conduct management in an end-to-end process by providing a variety of channels for receiving various complaints to support complainants and every party of stakeholders. There is a standard complaint management process which is jointly integrated with the related in-house work units of the Bank to mutually solve problems and efficiently manage complaints. However, the information of the complainant will be kept confidential and protected during the investigation process. The following are the complaint channels.

Complaint Channels

- Krungthai Contact Center 0-2111-1111 (24 hours)
- The Bank's website : krungthai.com
- E-mail: complaint.center@krungthai.com
- E-mail: call.callcenter@krungthai.com
- Fax. : 0-2256-8170
- PO Box 44, Hua Lamphong Bulk Posting Centre, Bangkok 10331
- Customer Satisfaction Survey Questionnaire
- The employees can directly whistleblowing or comments to the Board of Directors and executives via e-mail of the Board of Directors and the executives. An E-Mail Address is available in the Bank's Intranet System. The following are other complaint channels.
- Hotline Telephone. 0-2208-8887 and E-mail Address: Hr_hotline@krungthai.com

Channels for shareholders who wish to propose issues which are useful for the Bank or the matters related to the rights of shareholders through the independent committee via E-mail: share.holder@krungthai.com

Complaint Handling Process

- a. Complainants proceed through various complaint channels. The name list of complainants will be kept confidential and protected both during and after the process.
- b. Related business units rate the severity level as follows:
 - Complaint
 - Request for help
 - Information
 - Suggestion
 - Recognition
- c. The related business units provide immediate assistance/consultation/follow-up on the issues as the case may be.
- d. In situations where the complainant is a celebrity, or the issue has garnered significant attention on social media or through mass media, the Customer Complaint Unit will promptly coordinate with relevant departments, such as Corporate Communications and Compliance, to expedite problem resolution. In the case where the customer makes whistleblowing regarding the employee's corruption/misconduct, the Customer Complaint Unit shall inform the Whistleblowing unit to further solve problems.
- e. The related work units provide monthly reports on complaint resolutions to the executives and to the units overseeing products and services. This is done to facilitate continuous improvement, development, and to identify strategies for reducing future complaints.
- f. The process is yearly reviewed.

2.3 Innovation Development

Policy for promoting invention or development of business innovation

The Bank actively encourages a culture of innovation, urging employees to be inventive, think outside the box, and focus on both job and self-development. This includes sharing knowledge and experiences, as well as effective knowledge management. The Bank has established processes and work plans specifically designed to foster business innovation to become a corporate culture. The Bank's efforts concentrate on creating business models to the daily needs of customers and to expand the business by offering a diverse range of financial services that truly address every customer's needs.

3. Disclosure and Transparency

3.1 Disclosure and Transparency Policy

The Board of Directors establishes a policy and supports the Bank's supervision to ensure the disclosure of information and transparency operation, fair treatment of stakeholders, adherence to business operation with social responsibility, and encouragement of

every executive and employee to behave and conduct themselves as good citizens, function with honesty, transparency, and virtue care until becoming the corporate governance culture in the organization to be accepted by both government sector and private sector agencies. Additionally, the Bank discloses the Bank's information to be consistent with the important laws, rules, regulations, and standards, prepares the disclosure and transparency handbook as a practice and considers using as the same standard for the employees at every level and in every of both central and regional sections, and publishes on the Bank's website.

3.2 Disclosure and Transparency Practices

3.2.1 Information Disclosure under the Official Information Act, B.E. 2540 (1997)

The Bank proceeds with the disclosure of the Bank's information to the public under the Official Information Act, B.E. 2540 (1997) for the benefit of the people in accessing the Bank's information. The essence of the proceeding is as follows:

3.2.1.1 Publicity of Information in Information System

The details of the Bank's procurement announcements are on its website (<https://eprocurement.krungthai.com/procureweb/Home>) to facilitate the general public's access to view the Bank's procurement information. There is up-to-date summary information on the procurement consideration results that the Bank has purchased with individuals and external agencies. The Bank's procurement announcements are published. The said announcements include the announcements of procurement using price comparison and tender, announcements of cancellation of price comparison and tender, and announcements of the list of the awarded price comparison, tenders, and auctions. In addition to searching for the published procurement information of the Bank, those who are interested in offering work in the Bank's procurement can log in to the said system by themselves, just inform their personal information and comply with the terms and conditions as prescribed by the Bank.

3.2.1.2 Disclosure of the Bank and Customer Information to Requesting Agencies and Third Parties

The agencies in authority, government sector and private sector agencies can request for auditing the Bank's information subject to the regulations of laws and consideration principles of the Banks as follows:

a) Legally Authorized Agencies

In requesting for information audit or requesting documentary evidence, or asking a bank employee to testify as a witness, the agencies in authority can request information and documentary evidence on the Account Opening Application Form and accounting transactions of the deposit account, requesting for verifying the deposit-withdrawal information, requesting for acknowledging balance in the deposit account, etc.

b) Non-Legally Authorized Agencies and Individuals

There are government agencies and private agencies, including the general public who request the data audit. Most of the requests are for auditing the personal data that the Bank cannot disclose due to Section 24 of the Official Information Act, B.E. 2540 (1997), which states that "A State agency shall not disclose personal data in its control to other State agencies or other persons without prior or immediate consent given in writing by the person who is the subject thereof."

In accompany with the Personal Data Protection Act B.E. 2562 (2019), Section 27 states that "The Data Controller shall not use or disclose Personal Data without the consent of the data subject, unless upon consent, or exemption from the requirement of consent request. However, the person or juristic person who obtains Personal Data as a result of the disclosure stated above shall not use or disclose such Personal Data for any purpose other than the purpose previously notified to the Data Controller in the request to obtain such Personal Data."

3.2.2 Disclosure of Information under the Principles of a Listed Company and Corporate Governance Code

The Bank discloses the important information related to the business, both financial and non-financial information, adequately, accurately, completely, transparently, thoroughly, reliably, and timely under the requirements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand, such as disclosure of information through Annual Registration Statement and Annual Report (Form 56-1 One Report), etc. However, the Bank has at least published the following information through the Information Publicity System of the Stock Exchange of Thailand and the Bank's website both in Thai and English, helping the shareholders, customers, and other interested parties access the information with ease, equality, and reliability.

3.2.2.1 Disclosure of Important Financial Information

The Board of Directors emphasizes the quality of the financial report. The Board of Directors is responsible for financial statements appeared in Form 56-1 One Report and supervises the preparation of such financial statements under the Thai Financial Reporting Standards and the Generally Accepted Accounting Principles based on prudence, accuracy, completeness, fact, and reasonableness to ensure the real reflection of the Bank's operating results. The important information is transparently and adequately disclosed to the regulatory agencies and the Stock Exchange of Thailand under the determined rules for the benefit of the shareholders and the general investors. Furthermore, the Board of Directors has appointed an Audit Committee comprising independent directors to perform the duty of overseeing the reliability and



accuracy of financial reports as well as the appropriateness and adequacy of the efficient and effective internal control and internal audit systems. Therefore, it is assured that the said financial statements of the Bank are reliable under the Generally Accepted Accounting Principles, proper in accordance with the related laws and set of regulations. The principles for disclosing the information are at least as follows:

a. Financial Report

- The accurate financial statements are prepared under the Generally Accepted Accounting Principles and selection of the appropriate accounting policies.

- In the auditor's report, the Bank's financial statements are certified on an unqualified basis, and without remark on financial statements.

- The Board of Directors provides a report on the Board of Directors' responsibilities for financial statements. The Bank discloses and presents such a report together with the auditor's report in the Annual Report.

- Quarterly and latest quarterly financial statements and yearly financial statements for 10 retrospective years are disclosed on the Bank's website

- Both quarterly and yearly financial statements and financial reports are submitted within the time specified in the rules of the regulatory agencies, i.e., the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, and as required by related laws. Furthermore, in 2023, there was no event that the Bank was fined or ordered to amend its financial statements and financial reports by the Office of the Securities and Exchange Commission.

- The purpose of preparing and disclosing Management Discussion and Analysis is to conclude the analytic explanation on financial statements in comparison with last year on the profit increases or decreases. In the case of changes in any transaction, the reason or cause for such changes shall also be specified. Additionally, it also reflects the linkage between the Bank's

nature of business and the ESG concept at least covering the environmental, social and governance issues. Additionally, the factors affecting the Bank's future operations are analyzed so that the investors will understand and analyze the Bank's operating direction and growth.

- b. The information of the related-party transactions, i.e. names of persons who conduct the related-party transactions, relationships, nature of transactions and conditions, transaction price and value policies, is completely disclosed.

- c. The details of audit fees and other service fees paid to the auditors are also disclosed in the Annual Registration Statement and the Annual Report (Form 56-1 One Report).

3.2.2.2 Disclosure of Basic Information of the Bank's Business

- a. Information on the nature of business, industry analysis, competition in the commercial banking business, and the status and competitiveness of the Bank

- b. Information on the Bank's long-term goals/ sustainability goals, and business strategies to achieve goals

- c. The Bank's quantitative indicators that align with the sustainable business (ESG) goals set by the Bank

- d. Dividend payment policy that specifies Dividend Payout Ratio in percentage

- e. Structure of business group: parent company, subsidiaries, joint ventures, related companies; clearly specifying the proportion (%) of shareholding

- f. Organizational chart and information of the Bank's executives, such as names, positions, and biographies of each executive, etc.

- g. Structure of the top 10 shareholders as of the latest book closing date of the Bank

- h. Direct and indirect shareholdings of the directors and executives are clearly separated.

- i. Guidelines for risk management and risk impact analysis

- j. Disclosure of the full version of the Articles of Association on the Bank's website

3.3 Information Communication Channels

3.3.1 The Bank's website is made in both Thai and English language and displays the Bank's information, such as its vision and mission, nature of business, information of the Board of Directors and executives, current and retrospective financial statements, press releases, etc. The information is always updated.

3.3.2 The Annual Report, Invitation to the Shareholders' Meeting, and Minutes of the Shareholders' Meeting are provided and can be downloaded from the Bank's website.

3.3.3 A Sustainability Report is provided and can be downloaded by interested persons from the Bank's website.



3.3.4 The Bank's financial position is communicated through various channels, such as holding meetings with analysts/investors, and preparing press releases, etc.

3.3.5 Investor Relations

The Bank assigns the Finance Strategy Team to perform the duty and responsibility to equally, fairly, and thoroughly provide and publicize the Bank's information that is beneficial for the investors, securities analysts, domestic and foreign fund managers, and the related agencies, through various communication activities. At present, Ms. Preeyanun Sakpichaisakul, Senior Vice President, the Finance Strategy Team, has been assigned to be the responsible person for the Bank's investor relations work. The Investor Relations acts as a center for contacting securities analysts, Thai and foreign investors, and credit rating companies. The top executives of the Bank regularly participate in various activities organized by Investor Relations. For the year 2023, Investor Relations had conducted many activities, as summarized below:

Mode of Meeting	Number of Times
One-on-One Meeting & Virtual Meeting	108
Analyst Meeting & Fund Meeting	8
Investor Conference / Roadshow	5
Total	121

Contact Information with Investors Relation, Finance
Strategy Team

Telephone: 0-2208-3668-9

E-mail: ir@krungthai.com

Address: Krungthai Bank PLC, 12th Floor, Nana Nua
Building 35 Sukhumvit Road, Klong Toey Nua,
Wattana, Bangkok 10110

The Bank's Website: "Investor Relations" Menu

3.3.6 The Bank's publication

The Bank assigned a Marketing Strategy Team (PR Marketing) to be responsible for publicizing the Bank's news through mass media on various occasions in 2023 as follows:

Form of Publicity	Number of Times
Press Release	286
Press Conference	39
Press Interview for Top Executive	33
Total	358

Part 2 Corporate Governance

7. Corporate Governance Structure and Important Information about the Committee, Sub-committees, Executives, Employees and Others

7.1 Corporate Governance Structure

The Bank has a corporate governance structure, divided into policy level governance, consisting of the Board of Directors and Sub-committees; and the management-level governance, consisting of different Group of the Bank. Details are according to the organizational structure as of December 31, 2023, pages 010-011

7.2 Information about the Board of Directors

Diversity policy in the structure of the Board of Directors

The Bank has a policy to diversify the structure of the Board of Directors consisting of individuals with knowledge and expertise based on the defined Skill Matrix, which is consistent with the Bank's current and future missions and strategies, including the Bank's sustainable development. In order for the Board of Directors to comprise a group of individuals with diverse qualifications in terms of skills, experiences and specific abilities that are beneficial to the Bank, there shall be at least one person with knowledge and skills in accounting/finance, at least one person in information technology, and at least one non-executive director who has work experience related to the Bank's business. There shall be no discrimination or use of personal differences, such as religion, culture, race, nationality, gender, etc. as a limitation for holding director positions.

7.2.1 Composition of the Board of Directors

The structure of the Board of Directors consists of 12 members in total, which is in line with the resolution of the 14th Annual General Meeting on April 27, 2007. The number of directors is appropriate for the organizational size and the duties can be efficiently performed duties with a proper balance of power. On December 31, 2023, the Bank has had 10 directors, comprising 1 executive director and 9 non-executive directors whereby 5 of them are Independent Directors or 50 percent of the total directors. The number of Independent Directors exceeds the requirements of the Office of the Securities and Exchange Commission (SEC), requiring that at least one-third of the Board must be Independent Directors, and must not be less than 3 persons. In this regard, the structure of the Board of Directors is diverse, consisting of 1 female member (as an Independent Director), and individuals with knowledge and expertise based on the defined Skill Matrix in finance, accounting, law, information technology, business administration and marketing, economics, risk management, human resource management, engineering and innovation management, as well as having work experience related to banking business. This is in line with the Bank's current and future missions and strategies, including the Bank's sustainable development.

7.2.2 Information of the Board of Directors

• Board of Directors

List of the Members of the Board of Directors as of December 31, 2023 consists of:

1) Mr. Lavaron	Sangsnit	Chairman
2) Mr. Krairit	Euchukanonchai	Vice Chairman, Chairman of the Board of Executive Directors and Chairman of the Risk Oversight Committee
3) Mr. Vichai	Assarasakorn	Director, Independent Director, Chairman of the Audit Committee, and Member of the Corporate Governance and Sustainability Committee
4) Mr. Thanwa	Laohasiriwong	Director, Independent Director, Chairman of the Nomination and Remuneration Committee, Member of the Audit Committee, Member of the Compliance Committee and Member of the Risk Oversight Committee
5) Prof. Dr. Kittipong	Kittayarak	Director, Chairman of the Corporate Governance and Sustainability Committee, and Member of the Compliance Committee
6) Mr. Teerapong	Wongsiwawilas	Director, Independent Director, Chairman of the Compliance Committee, and Member of the Nomination and Remuneration Committee
7) Mr. Virasak	Sutanthavibul	Director, Chairman of the Independent Directors Committee, Executive Director, and Member of the Risk Oversight Committee
8) Ms. Jiraphon	Kawswat	Director, Independent Director, Member of the Audit Committee, and Member of the Corporate Governance and Sustainability Committee

9) Mr. Attapol	Attaworadej	Director, Member of the Corporate Governance and Sustainability Committee, and Member of the Compliance Committee
10) Mr. Payong	Srivanich	Chief Executive Officer, Executive Director, and Member of the Risk Oversight Committee
Ms. Sineenard	Damri-Anant	Assistant Secretary

Details of changes in the directors

1) Mr. Chamroen	Phothiyod	He has held the director's office on January 11, 2023, in replacement of Dr. Kulaya Tantitemit who resigned from the director's office on January 1, 2023. He retired from the director's office on April 7, 2023.
2) Mr. Virasak	Sutanthavibul	He has held the director's office since April 7, 2023, in replacement of Gen. Tienchai Rubporn whose term was expired in the General Meeting of Shareholders.
3) Mr. Attapol	Attaworadej	He has held the director's office since April 7, 2023, in replacement of Mr. Chamroen Phothiyod whose term was expired in the General Meeting of Shareholders.
4) Mr. Poonnis	Sakuntanaga	He resigned from the director's office on August 17, 2023.
5) Mr. Krisada	Chinavicharana	He resigned from the Chairman of the Board of Directors and the director's office on August 31, 2023.
6) Mr. Lavaron	Sangsnit	He has held the Chairman of the Board of Directors' office since October 11, 2023.

Details of change in members after December 31, 2023

1) Lt. Gen. Nimit	Suwannarat	He has held the director's office on January 15, 2024, in replacement of Mr. Poonnis Sakuntanaga who resigned from the director's office on August 17, 2023.
2) Mr. Pinsai	Suraswadi	He has held the director's office on January 15, 2024, in replacement of Mr. Krisada Chinavicharana who resigned from the director's office on August 31, 2023.

As the Chairman of the Board of Directors is not the Independent Director, it does not affect his/her use of discretion on independent decisions. The Bank has adequate internal control systems and operational mechanisms for checks and balances and transparency. The considerations on significant matters are in the form of a panel and are not subject to the decision of any individual committee. The structure of the Board of Directors as of December 31, 2023, consists of 5 independent directors out of a total of 10 directors or equal to 50 percent of the total number of the board members. The Board of Directors has upgraded the work of Independent Directors. The Independent Directors shall operate in the same form of the panel as other sub-committees of the Bank. One Independent Director has been appointed as the Chairman of the Independent Directors Committee. There is the Charter of Independent Directors Committee that prescribes qualifications and terms of office, including duties and responsibilities, and meetings. The Independent Directors Committee, comprising Independent Directors who are part of the Board of Directors, participates in considering the agenda of the Board of Directors' meetings before the meeting. Independent Directors are free to comment or suggest on the meeting agenda to the Chairman of the Board of Directors in the case where it deems that there are important matters or problem issues that the Board of Directors should consider and have not yet been included in the meeting agenda. Additionally, the Chairman of the Board of Directors is not the authorized signatory director and non-executive director and does not have the position of chairman and member of other sub-committees of the Bank. Moreover, the Chairman of the Board is not the same person as the Chief Executive Officer. The roles and responsibilities are clearly segregated. The Charter of the Board of Directors stipulates that the Chairman of the Board has a duty and role to supervise and monitor the duty performance of both the Board of Directors and the Management to ensure the efficiency of achieving the organization's objectives and main goals. The Chief Executive Officer is the highest level executive of the Management with the duty to manage the Bank under the directions and policies established by the Board of Directors.

• Authorized director of the Bank

In 2023, the authorized director to sign on behalf of the Bank is "Mr. Payong Srivanich, the Chief Executive Officer only signs and affixes the Company's seal."

7.2.3 Roles and Responsibilities of the Board of Directors

The Board of Directors has the duty to oversee every director and executive to perform their duties with responsibility, prudence, integrity and compliance with laws. The Board also supervises all business operations of the Bank under its objectives, Articles of Association, the resolution of the Board of Directors and the resolution of the shareholders' meeting under conditions and requirements of the related laws and Corporate Governance Code to sustainably create the Bank's value. The Board of Directors approved the Charter of the Board of Directors that defines the authority, duty and responsibility of the Board of Directors, as well as the role and duty of the Chairman of the Board of Directors for reference use in the duty performance of every Directors. The Charter has been effective since November 21, 2018. The Bank shall always review the Charter of the Board of Directors to be appropriate and up to date, and publish the Charter of the Board of Directors and the Charter of the Sub-Committees. The interested persons can download those Charters from the Bank's website.

Authority of the Board of Directors

(1) All business activities of the Bank shall be under the authority of the Board of Directors to do. Either the Chief Executive Officer or at least two other directors as delegated by the Board of Directors shall have the authority to sign and affix the Bank's official seal and act on behalf of the Bank. However, the Board of Directors has the authority to consider determining and changing the name of the authorized directors to sign to bind the Bank and act on behalf of the Bank;

(2) The Board of Directors has the authority to appoint the Chief Executive Officer and employees of the Bank as well as representatives of the Bank with the authority and duty as the Board deems appropriate, and can define the rate, expenses and bonus for these persons, and remove them from the office;

(3) The Board of Directors can empower the Chief Executive Officer to appoint and remove the Bank's employees. However, if the person who is appointed as the Chief Executive Officer also holds the director's office, he/she is called the "Chief Executive Officer";

(4) The Board of Directors has the authority to invite any person, as it deems appropriate, to be an advisor to the Board of Directors to assist and comment on the Bank's business activities, and also define wages and bonuses for the advisor;

(5) The Board of Directors may periodically pay interim dividends to the shareholders after considering and deeming that the Bank is profitable enough to do so, and report in the next shareholders' meeting for acknowledgement.

Scope of Authority of the Board of Directors

Even though all of the Bank's business activities will be under the authority of the Board of Directors to do, but some business activities are defined by the Public Limited Companies Act and the Bank's Articles of Association, including the related laws and rules of the related regulatory agencies to be under the authority of the shareholders' meeting.

(1) Approval of the balance sheet and the profit and loss account;

(2) Approval of the profit appropriation;

(3) Election of new directors in replacement of those who must retire by rotation or election of additional directors in the case of an increase in the number of directors;

(4) Election of the auditor and determination of the audit fee amount;

(5) Increase of capital, reduction of capital, transfer of allowance for compensation of accumulated loss, dividend payment, public offering or allocation of capitalized shares and issuance of debentures;

(6) Sale or transfer of the Bank's entire business or partial important business, acquisition or acceptance of transfer of other business, making, amendment or termination of the agreement relating to renting out the Bank's entire business or partial important business.

Duties and Responsibilities of the Board of Directors

(1) Perform duties with responsibility, duty of care, duty of loyalty, comply with the laws and the set of official regulations, and supervise all business operations of the Bank under the objectives, the Bank's Articles of Association, the resolutions of the Board of Directors, and the resolutions of the shareholders' meeting to sustainably create value for the Bank;

(2) Define the Bank's visions, missions, objectives and strategic targets of business operations, and short-term and long-term strategies and business plans of the Bank, and also requires the concern on business operations under the sustainable banking concept, emphasizing the environmental, social, and good governance factors, and review to always adjust to be knowingly appropriate with changes;

(3) Supervise the Bank to have good management, covering jointly establishing, suggesting, and approving the policies and transactions which are important for doing the business and managing risks that affect the Bank's financial position, operating performance, and reputation both in normal and critical conditions, as well as future potential risks, approve the good risk governance framework and risk appetite which are explicit and aligned with the strategic plans, business plans, and ability to manage the enterprise risks, review the strategic plans, business plans, important policies, good risk governance framework, and risk appetite approved based on the suitable frequency or upon significant changes to support business operations based on the defined directions and goals, as well as determine the risk management and reporting mechanisms to the Board of Directors for acknowledgement for important preventive and corrective actions, and have the role of driving risk culture (Tone from the Top), supervise to ensure the cultivation of risk culture;

(4) Supervise to ensure efficient internal control, covering the operating activities, and enable to reflect and verify the potential errors without delay, regularly review and assess to ensure that the internal control system is efficient and appropriate for the Bank's operation;

(5) Supervise to ensure that the Bank has the Internal Regulatory Unit (Second Line of Defense) and the Internal Audit Unit (Third Line of Defense), which are independent of working, have sufficient and appropriate resources and personnel. The appointment, transfer, removal, and assessment of the duty performance efficiency and effectiveness of the Head of Risk Management Unit, Head of Compliance Unit, and Head of Internal Audit Work must be approved by the Board of Directors or the sub-committees at the related and suitable oversight level. However, the significant opinions or observation reports acquired from the Internal Regulatory Unit and Internal Audit Unit are also taken to support the consideration;

(6) Considering the master plan, and budget, as well as allocating the important resources to achieve the objectives and goals, following up and overseeing to ensure the implementation of the Bank's tactics, including assessing and supervising the operating performance reporting;

(7) Realize the roles, duties and responsibilities of the Board of Directors, fairly and transparently respect rights and treat the shareholders and every party of stakeholders, and review the roles and duties of the Board of Directors, the Chief Executive Officer and Management to be aligned with the organization's directions, and supervise to have the efficient Whistleblowing Policy and Procedure;

(8) Supervise and advance fair customer service management (Market Conduct), provide the channels for efficiently and effectively receiving and managing complaints of the informants or stakeholders of every party, and give the policies for developing and improving the Bank's business operations by taking into account safety and sanitation, social and environmental responsibility, as well as the development of the Bank's personnel;

(9) Oversee to have the succession plan and development plan for the executive officers to have the knowledge, skills, experiences, and characteristics necessary for driving the organization to achieve the targets, as well as effectively oversee the annual performance assessment of the Chief Executive Officer and the executive officers, have the remuneration structure which is consistent with the risk culture of the organization, have the remuneration determination system for the executive officers, which is prudent, transparent, and consistent with the duties, responsibilities, and performance aligned with the Bank's short-term and long-term business operations;

(10) The Board of Directors must hold the shareholders' meeting as the Annual General Meeting within 4 months from the ending date of the Bank's fiscal year. Other shareholders' meetings other than stated are called "Extraordinary Meetings." The Board of Directors can call the extraordinary meetings whenever deemed appropriate.

If one or several shareholders whose shares are counted in the total of not less than 10 percent of total sold shares will submit a joint letter to ask the Board of Directors to call the shareholders' meeting as the extraordinary meeting whenever, but must also clearly specify the matters and reasons to ask for calling the meeting in writing. In such case, the Board of Directors must hold the shareholders' meeting within 45 days from the received date of the letter from shareholders;

(11) Attend the Board of Directors' meeting at least 75 percent of the number of meetings held in each year, and the shareholders' meeting, unless in the case of necessity, and participate in interrogating, discussing, arguing and exchanging a variety of creative opinions without conflict of interest and self-exploitation, and take precaution to maintain the overall organizational interests, make informed decision or resolution, and rational decision, as well as scrutinize to avoid any decision intervention that causes an increase in the Bank's operating risks;

(12) The Board of Directors sets up the sub-committees at an oversight level as necessary and appropriate, and must at least determine that there shall be the Risk Oversight Committee and the Audit Committee to help ensure the independent and effective performance of duty to control, govern, and audit (three lines of defense), the Nomination Committee to help ensure the appointment of the qualified persons to hold the director office, members of the sub-committees, authorized persons in management, and the Bank's consultants. Additionally, the Board of Directors may set up other additional sub-committees to help perform works under the responsibility of the Board of Directors, and good corporate governance and consider approving the Charter of the Sub-Committees which prescribes the essence of compositions, duties and responsibilities, and any other matters related to the sub-committees as deemed appropriate by the Board of Directors, including the assignation to perform the duty of reviewing the important policies. If the changes are insignificant, the Board of Directors must be consequently reported for acknowledgement. However, the important reports acquired from the sub-committees shall be regularly followed up. In the case of problem occurrence, the causes and process improvement or reporting mechanism shall be considered to solve problems in a proper time;

(13) The Board of Directors must hold the performance assessment in the type of self-assessment, assessment for other directors, and group assessment twice a year, and use such assessment results to improve and develop working and to support the consideration of the appropriateness of composition of the Board of Directors. However, the Board of Directors may consider assigning an external consultant to help determine the guidelines, and recommend the issues in performance assessment of the Board of Directors based on the criteria and in a reasonable period, for instance, every 3 years, etc. The assessment operation must be disclosed in the Annual Report;

(14) Supervise the Bank to correctly, completely, transparently, and timely disclose the good governance information (duty of disclosure);

(15) Comply with the Code of Best Practice of Directors of Listed Companies and Corporate Governance Code (CG Code).

• Roles of the Chairman of the Board of Directors

The Bank's Articles of Association determines that the Board of Directors shall select one director to be the Chairman of the Board of Directors under the Charter of the Board of Directors. The Chairman of the Board of Directors, on behalf of the organizational leader, performs the duty to oversee the benefits of the Bank, shareholders, and other stakeholders to achieve the highest long-term benefits, and is the leader to synergize potential, ideas, creativity, and competency of the Board of Directors and the Management of the Bank altogether, resulting in success of strategic plans of the Bank's business operations both in short-term and long-term. Additionally, the Chairman of the Board of Directors closely and continually monitors the Management's business operation to ensure monthly reporting of financial position and important information to the Board of Directors, and is a mainspring to advance the policies for the Bank's corporate governance and social and environmental responsibility, and create ethics for personnel at every level. The roles and duties of the Chairman of the Board of Directors are determined and can be summarized as follows:

Administration

- (1) Supervise the overview of the Bank's strategy and policy guidelines to attain justice, and take care of the customers equally;
- (2) Emphasize the work performance under legality both in terms of the official and the Bank's supervision;
- (3) Supervise, monitor and oversee to ensure that the Board of Directors performs their duties efficiently and accomplish the Bank's objectives and main targets;
- (4) Oversee to ensure that every director participates in promoting the corporate culture with ethics and good corporate governance.

The Board of Directors' Meeting

- (1) Perform the duty of the chairman of the meeting and attend every meeting unless necessary to proceed with the efficient Board of Directors' meeting;
- (2) Set agenda of the Board of Directors' meeting under mutual discussion with the Chief Executive Officer and have a measure to oversee the important matters to be included in the meeting agenda;
- (3) Stimulate all directors to express their opinions by appropriately delegating the authority of organization management to the Management, oversee all directors to receive the correct, duly, and explicit information of the Bank for use in decision-making that will efficiently lead to the Bank's success, and manage sufficient time for the Management to propose matters and for the Board of Directors to discuss the important issues and consult with each other, encourage the directors to use prudent discretion and independently express opinions in the related issues all over in the important meeting agenda. The Board of Directors adopts the policies to strengthen the good relationships between the executive directors and non-executive directors and between the Board of Directors and the Management with regular consultations.

Development and Assessment of the Working Efficiency

- (1) Supervise to organize an orientation and a site visit for all directors, helping the new directors understand and rapidly adapt to the organization;
- (2) Support and encourage all directors to attend the trainings for developing expertise in various areas, which are useful for the duty performance of the directors, and organized by the famous and accepted institutions, such as the Thai Institute of Directors, and Stock Exchange of Thailand, etc.
- (3) Support and encourage all directors to collaborate as a team for working efficiency and effectiveness, supervise to conduct the Board of Directors' performance assessment in types of self-assessment, cross-assessment, and group assessment, and take such assessment results to improve and develop the Board of Directors' working;
- (4) Determine the regular and continuous follow-up, supervision and assessment system for the Bank's operating performance to be in line with the policies.

Shareholder Relationship

Supervise to ensure efficient communications between the Bank's shareholders and give the shareholders the opportunity to enable them to communicate with the Board of Directors to mutually exchange opinions.

Shareholders' Meeting

The Chairman of the Board of Directors serves as the chairman of every shareholders' meeting and assigns a person to properly supervise the shareholders' meeting in accordance with laws and regulations as well as oversees the attendance of every director in the shareholders' meeting together. The opportunity is given to the shareholders to fully exercise the rights at the shareholders' meeting to attend the meeting and vote in the shareholders' meeting, interrogate or request additional clarifications, acknowledge the Annual Report, approve the balance sheet and the profit and loss account, approve the profit appropriation and dividend, appoint directors and determine the directors' remuneration, appoint the Bank's auditor and determine his/her audit fee, and approve the amendment to the Memorandum of Association of the Bank, etc.

Roles in Other Areas

The Chairman of the Board of Directors performs duty with integrity and supervises the structure of the Board of Directors to be appropriate, oversees to ensure the effective implementation of policy and decision-making of the Board of Directors, and supports the implementation of corporate governance and social and environmental responsibility activities occurred at every level from the directors, executive officers and employees.

• Meeting and Quorum

- (1) The Chairman of the Board of Directors calls for a meeting of the Board of Directors

Upon a reasonable ground or for maintaining the Bank's rights or benefit, two or more directors may request the Chairman of the Board of Directors to call a meeting of the Board of Directors. The matters and reasons for proposing the meeting for consideration shall also be specified. In such case, the Chairman of the Board of Directors shall call and schedule the date of the meeting within 14 days from the date of receipt of such request. In the case where the Chairman of the Board of Directors does not execute under paragraph two, the requesting directors may jointly call and schedule the date of the Board of Directors' meeting to consider the requested matters within 14 days from the expiration date of the period under paragraph two.

(2) In the case where the Chairman of the Board of Directors is absent for whatever reasons, the Vice Chairman of the Board of Directors shall call a meeting of the Board of Directors. In the case where the Chairman of the Board of Directors is absent for whatever reasons, two or more directors may jointly call a meeting of the Board of Directors.

(3) The Board of Directors schedules the meeting at least once a month and the meeting is held at any other venue as deemed appropriate. However, the meeting of the Board of Directors can be carried out via electronic media under the Bank's Articles of Association and laws, notifications, including rules of the related regulatory agencies.

(4) In the case of calling a meeting of the Board of Directors, the invitation to the meeting shall be delivered to the directors not less than 3 days before the date of the meeting. Unless in the case of exigency to maintain the Bank's rights or benefits, the meeting appointment can be notified by electronic means or any other means, and earlier schedule the date of the meeting.

(5) At a meeting of the Board of Directors, a quorum must be constituted with a number of not less than half of the total number of directors. Each director shall have one vote in voting, and a majority vote shall be adhered to as the resolution of the meeting in the final decision of the meeting. In the case of a tie, the Chairman of the Meeting shall additionally cast another vote as a casting vote. Unless the election of the director in replacement of the vacancy due to other reason which is not retirement by rotation, the votes not less than 3/4 of the remaining number of directors shall be adhered to as a resolution of the meeting. However, to be in line with the good corporate governance guidelines at that time of the resolution of the Board of Directors, there should be the directors not less than 2/3 of the total directors in the meeting.

(6) In the case where the Chairman of the Board of Directors is absent in the meeting or unable to perform his/her duty if the vice-chairman is present, he/she shall preside over the meeting. If there is no vice-chairman or if the vice-chairman is unable to perform his/her duty, the directors who attend the meeting shall select one director to be the chairman of that meeting.

(7) Any director who has an interest in the meeting on any matters or agenda that the director has related interests either directly or indirectly, the said directors must inform the Board of Directors for acknowledgement and not participate in making the decision or resolving that meeting agenda. In this case, the Chairman of the Meeting may invite the said director to temporarily leave the meeting.

(8) Despite somewhat vacancies in the number of directors, the remaining directors can perform the undertaking. However, if the number of directors is reduced to be inadequate to be a quorum, the remaining directors can perform undertakings, particularly of holding the shareholders' meeting to elect the directors in replacement of all vacancies only.

(9) The Board of Directors has a policy to supervise the management under the Corporate Governance Code and hold the meeting of the Board of Directors without the meeting attendance of the Management at least once a year.

(10) The minutes of the Board of Directors' meeting must contain complete contents, specify the important individual opinions for the agenda for important consideration, and submit a copy of the minutes of the Board of Directors' meeting to the official regulatory agencies under the rules and procedures and within the specified period.

Furthermore, the holding of the meeting of the Board of Directors can be proceeded via electronic media under the Bank's Articles of Association, and the laws, notifications and rules of the related regulatory agencies. In holding Google Meet, every director who attends the meeting shall completely appear by specified means before the meeting commencement.

The Board of Directors has a policy to supervise the management under the Corporate Governance Code and holds the meeting of the Board of Directors without the meeting attendance of the Management at least once a year. Additionally, the Board of Directors supports and encourages the independent directors to work in the form of a panel and stipulates the Charter of Independent Directors Committee that specifies qualifications, terms of office, duties and responsibilities. The meeting of the Independent Directors Committee shall be held at least twice a year and the reports and recommendations shall be appropriately submitted to the Board of Directors.

- **Term of the Director's Office**

According to the Bank's Articles of Association, the directors for 1/3 of the total directors must vacate the office at every Annual General Meeting of Shareholders. The appropriate term of the director's office should not exceed 3 consecutive terms. Unless any director is qualified to hold his/her office longer than the said terms, the Board of Directors will consider the efficiency of duty performance of the said director and clarify the reason and his/her performance of duties to the shareholders.

- **Independence of the Board of Directors**

The Board of Directors is responsible for the performance of its duties to the shareholders and is truly independent of the Management for the utmost benefit of the Bank and its shareholders' sustainable growth. There is a clear segregation of duties and responsibilities between the Board of Directors and the Management. The Board of Directors is a policymaker for the Management to manage work systems and activities of the Bank legally and ethically and under the Corporate Governance Code and ethics. Additionally, the Chairman of the Board of Directors is determined not to be the same person as the Chief Executive Officer due to the differences in duties and responsibilities and to ensure that no person has unlimited authority. The roles and duties of the Chairman and the Chief Executive Officer are clearly defined separately.

• Roles and Responsibilities of the Chief Executive Officer

The Chief Executive Officer is the highest level executive of the Bank with the authority to supervise the management and operations of the Bank under the objectives, policies, regulations, and goals set by the Board of Directors, as well as manage under work plans or budgets approved by the Board of Directors and protect the interests of the Bank and its shareholders. The main duties and responsibilities are as follows:

- (1) Supervise the Bank's operations under the objectives, policies, regulations and goals assigned by the Board of Directors.
- (2) Manage the operations under work plans or budgets approved by the Board of Directors.
- (3) Supervise the employees and staff members of the Bank to work under the Bank's objectives and missions.
- (4) Contact and build relationships and collaboration between the Bank and other agencies and organizations both domestically and internationally;
- (5) Be a representative or authorized person to act on behalf of the Bank to operate in relation to external agencies and regulatory agencies or perform any juristic acts that are legally binding the Bank as assigned by the Board of Directors under the objectives and regulations of the Bank.
- (6) Attend meetings and be a member of the Board of Directors as appointed by the Bank.
- (7) Consider any other matters assigned by the Board of Directors and subcommittees

7.3 Information Related to the Sub-Committees

7.3.1 Sub-Committees

For the Board of Directors to perform their duties and responsibilities as well as efficiently monitor and supervise the Bank's operations in accordance with the prescribed policies and strategies that are consistent with the laws and Corporate Governance Code, the Board of Directors has appointed the sub-committees to help study and filter the works as necessary, particularly in the case where neutrality must rely on judgement. This helps support the Board's duty performance as necessary and appropriate by taking into account its size, complexity, nature of business and risks as well as the Bank's long-term sustainable strategies and operations. This makes the Board of Directors' operations more efficient and effective. In this regard, the Board of Directors has approved the Charter for each Sub-Committee, which defines the composition, duties and responsibilities, meetings, and term of office. There are 7 Sub-Committees as follows:

- 1) The Board of Executive Directors
- 2) The Audit Committee
- 3) The Nomination and Remuneration Committee
- 4) The Corporate Governance and Sustainability Committee
- 5) The Risk Oversight Committee
- 6) The Compliance Committee
- 7) The Independent Directors Committee

7.3.2 List and Scope of Authority of the Sub-Committees

• The Board of Executive Directors

List of the Members of the Board of Executive Directors as of December 31, 2023 consists of:

1) Mr. Krairit	Euchukanonchai	Chairman of the Board of Executive Directors
2) Mr. Virasak	Sutanthavibul	Member
3) Mr. Payong	Srivanich	Member
Ms. Sineenard	Damri-Anant	Assistant Secretary

Details of changes in executive Directors

1) Mr. Poonnis	Sakuntanaga	He resigned from the executive director's office on August 17, 2023
2) Mr. Virasak	Sutanthavibul	The effect of holding the executive director's office is from September 1, 2023.
3) Mr. Lavaron	Sangsnit	He resigned from the executive director's office on October 11, 2023.

Details of change of member after December 31, 2023

1) Mr. Attapol	Attaworadej	The effect of holding the executive director's office is from January 15, 2024.

Duty and Responsibility of the Board of Executive Directors

The Board of Directors has empowered the Board of Executive Directors to consider the following matters.

1. Considering scrutinizing or approving credits, debt restructuring and debt write-offs within the defined authority;
2. Considering scrutinizing or approving the investment or sales of securities invested by the Bank, trading or renting out the Bank's properties within the defined authority;

3. Considering scrutinizing or approving the hiring of consultant and procurement under the procurement regulations;
4. Considering scrutinizing business plan, policy tasks and annual budget;
5. Monitoring important works assigned by the Board of Directors;
6. Considering approving or acknowledging other undertakings relating to management the Board of Executive Directors deems necessary or appropriate as urgency for solving problems; and if the action is not taken, it will cause damage to the Bank, and the Board of Directors shall be immediately reported;
7. Perform whatever is assigned by the Board of Directors.

As the Bank's Board of Directors consists of members, who are all directors of the Bank, the Bank's Board of Executive Directors is therefore an Oversight Level Committee. Hence, the Executive Directors are not considered as the directors who are executives under the significance of Clause 5.1 of the Bank of Thailand Notification No. FPG. 1/2566 Re: Corporate Governance of Financial Institutions. This excludes Mr. Payong Srivanich, the Chief Executive Officer, as a director who is an executive because he holds a position in the Management and is a signatory authorized to sign in binding.

Term of Office of Executive Directors

The term is equal to the term of the director's office.

• The Audit Committee

List of the Members of the Audit Committee as of December 31, 2023 consists of:

1) Mr. Vichai	Assarasakorn	Chairman of the Audit Committee
2) Ms. Jiraphon	Kawswat	Member
3) Mr. Thanwa	Laohasiriwong	Member
Mr. Panabhand	Hankijjakul	Secretary

Details of changes in members or secretary of the Audit Committee

1) Mr. Virasak	Sutanthavibul	He has held the Audit Committee Member's office on April 11, 2023, in replacement of Gen. Tienchai Rubporn whose term was expired in the General Meeting of Shareholders.
2) Mr. Thanwa	Laohasiriwong	He has held the member of the Audit Committee Member's office on September 13, 2023, in replacement of Mr. Virasak Sutanthavibul who was appointed to hold the executive director's office.

The Audit Committee revised the scope of authority and duty of the Audit Committee under the Charter of Audit Committee Revision 2023, which is effective on July 3, 2023. The details are as follows:

Authority of the Audit Committee

1. The Audit Committee has the authority to have unrestricted access to Executive, personnel, data, and reports. If data access is restricted due to legal or confidentiality reasons, the Audit Committee and/or Group Head of the Internal Audit Group should consult with the Board of Directors to determine a way to manage such matters.
2. The Audit Committee can invite the directors and officers of the Bank or third parties to attend the meeting for discussion or clarification under the scope, duty and responsibility of the Audit Committee.
3. The Audit Committee can execute to assign the independent consultant or expert to comment or give counsel in the matters related to duties and responsibilities as necessary at the Bank's expense. However, the consultants or specialists must not be persons with conflicts of interest with the Bank and not be the parents, descendants, or spouses of the directors, Chief Executive Officer, Chief Officer, Cluster Audit, Group Heads, internal auditor of the Bank or internal auditors of the companies with whom the Bank is involved in making decisions on the companies' policies and operations.

Duty and Responsibility of the Audit Committee

1. Financial Reporting and Disclosure
 - 1.1 Review the Bank's financial reports and the companies in the Financial Business Group to ensure that the financial report is accurate and adequate in accordance with the accounting principles used in the financial reporting;
 - 1.2 Consider accuracy and completeness of the disclosure of the Bank and the companies in the Financial Business Group, particularly the connected transactions or the transactions that may have a conflict of interest;
 - 1.3 Review the evidence if it is in doubt about the operation that may significantly affect the Bank's operating performance or conflict of interest that may affect the Bank's operation;
 - 1.4 Review the interim financial report and the yearly financial report by considering that the completeness is consistent with the information which is recognized by the Audit Committee and reflects the appropriate accounting principles.

2. Auditor

2.1 Assure the auditor's independence and consider the auditor's conflict of business if the auditor provides other services other than audit work;

2.2 Review the scope of work and audit plan of the auditor to prevent duplication of work that may overlap with the audit work of the internal auditor by taking into account the Cluster Audit's efficiency in the use of resources for maximum benefits;

2.3 Consider the recruitment, appointment, dismissal and suggestion of work remuneration of the auditor and propose the Board of Directors to propose the general meeting of shareholders.

2.4 Review the auditor's audit report, the issues relating to accounting reports, complicated or unusual transactions, and reporting with materiality, that may affect the reliability of the financial report. The Audit Committee may suggest reviewing or verifying any transactions deemed necessary and the important matter, and also propose the key recommendations to the Board of Directors;

2.5 The Audit Committee together with the auditor hold the meeting without the presence of the Executive and Chief Audit Officer at least once a year.

3. Operations of the Bank

Review the Bank's operations with key risks that affect the objectives, important changes in good governance and leadership, strategic planning, risk management and internal control, strengthening the risk culture, stakeholder and customer focus, digital technology development, human capital management and knowledge management and innovation.

4. Risk Management

4.1 Supervise the key risks, review and assess the efficiency and effectiveness of control, and enterprise risk management of the Bank and the companies in the Financial Business Group, including fraud risks and other issues requested by the Board of Directors;

4.2 Review and advise on the risk management process established and supervised by the Executive to ensure compliance with the established process;

4.3 Acknowledge the reports relating to the Executive's operation and monitor the appropriate compliance with the risk management process.

5. Internal Control

5.1 Review and assess to ensure that the Bank has an adequate and effective internal control system, information technology system security, and information technology control;

5.2 Acknowledge the reports for significant matters from faulty working, damage, or fraudulent transactions that may cause damage to the position or operation or reputation of the Bank or the companies in the Financial Business Group.

6. Regulatory Compliance with Laws, Regulations, and Rules

6.1 Review the Bank and the companies in the Financial Business Group to ensure compliance with the securities and exchange law, requirements of the Stock Exchange or the laws related to the businesses of the Bank and the companies in the Financial Business Group;

6.2 Review the effectiveness of the governance of the Bank and the companies in the Financial Business Group, mechanism of compliance with laws and rules, and operation monitoring system to be in time within a specified period, and in the case of non-improvement and corrective action within a specified period.

7. Audit and Monitoring

7.1 Supervise Cluster Audit to have value and ethics and maintain the standards of ethical and code of conduct compliance to be at a high level to ensure that the internal audit operation is consistent with the International Professional Practices Framework for Internal Audit;

7.2 Regularly review and verify the independence of Cluster Audit and equity of the internal auditor.

7.3 Review and approve the Charter of Cluster Audit at least once a year;

7.4 Review and approve the strategic plan for Cluster Audit, objectives, organization structure, manpower, Cluster Audit programs, as well as budget used in Cluster Audit to succeed the established internal audit plan;

7.5 Review and approve the annual audit plan, review plan for credit transactions of financial institutions of the year, as well as consideration of the Cluster Audit personnel sufficiency and the need to use services from business alliances for partial or entire internal audit work.

7.6 Review the performance in comparison with the audit plan;

7.7 Review the internal audit reports/credit review reports and follow up the corrective action plan of the Management from audit points and suggestions from the audit;

7.8 Mutually review and consider with the Executive the detected key faults and response of the Executive;

7.9 Advise the Board of Directors in considering the appointment, transfer, removal, determination of remuneration and consideration of the Chief Audit Officer's feat;

7.10 Assess the efficiency and effectiveness of the Chief Audit Officer's work performance;

7.11 Conduct a periodic self-assessment for audit work at least once a year, and conduct an external assessment by an independent assessor at least every 5 years.

8. Corruption

8.1 Review and assess the governance of the Executive on corruption protection and suppression;

8.2 Review and assess the governance of the Anti-Bribery and Corruption Policy and Process to be reasonably assured about corruption prevention and detection, and compliance with the duty determined under laws and ethics;

8.3 Review and assess the effectiveness of the system and control related to whistle blowing and receipt of complaints both from inside and outside to ensure that investigation is fairly and independently carried out, and appropriately reported and followed up;

8.4 Supervise the complaints and whistle blowing of offences sent to Cluster Audit to ensure that the audit is appropriately conducted.

9. Other Areas

9.1 Prepare and review the Charter of the Audit Committee and the Operation Practice Manual of the Audit Committee at least once a year before proposing the Board of Directors for approval;

9.2 Conduct a preliminary investigation when the suspicious behavior is notified from the auditor about fraud or violation of laws related to the duty performance of the directors and executives under Section 89/25 of the Securities and Exchange Act, and report the said audit results to the Office of the Securities and Exchange Commission and the auditor for acknowledgement within 30 days from the date of receiving the auditor's notification;

9.3 Conduct a self-assessment at least once a year and propose the assessment result to the Board of Directors;

9.4 Perform other works as assigned by the Board of Directors under the Audit Committee's responsibility;

9.5 The Audit Committee should review the roles and duties, and schedule the term of the Audit Committee Member's office. However, the Audit Committee may ask for professional opinions from the external consultant at the Bank's expense.

[The member of the Audit Committee who has knowledge and experience in the review of the financial statements reliability.](#)

Ms. Jiraphon	Kawswat	Member

• [Nomination and Remuneration Committee](#)

[List of the Members of the Nomination and Remuneration Committee](#) as of December 31, 2023 consists of:

1) Mr. Thanwa	Laohasiriwong	Chairman of the Nomination and Remuneration Committee
2) Mr. Teerapong	Wongsiwawilas	Member
Mr. Supawat	Wadhanapatee	Secretary
Mr. Boonchird	Pikulyam	Assistant Secretary

[Details of the changes in the members of the Nomination and Remuneration Committee](#)

1) Mr. Lavaron	Sangsnit	He resigned from the Nomination and Remuneration Committee Member's office on October 11, 2023.

[Details of changes in members of the Nomination and Remuneration Committee](#) after December 31, 2023

1) Lt. Gen. Nimit	Suwannarat	He has held the member of the Audit Committee Member's office on January 15, 2024.

[Scope of Authority of the Nomination and Remuneration Committee](#)

The Nomination and Remuneration Committee has the scope of duties and responsibilities as assigned by the Board of Directors to execute the various matters as specified in the Charter of the Nomination and Remuneration Committee and report the meeting result to the Board of Directors for acknowledgement every time. The essence can be summarized as follows:

1. Formulate the policy, rules and procedures for nominating and determining remuneration and other benefits of the directors, executive officers, and authorized persons for managing the Bank;

2. Consider recommending the overall policy concerning the determination of remuneration and other benefits of the Bank;

3. Select and nominate the candidates with appropriate qualifications as prescribed by laws, regulations of the Bank, and related laws to propose to the Board of Directors, consider appointing them to hold the following offices.

3.1 Director

3.2 Member of the sub-committees directly delegated for authority and responsibility by the Board of Directors

3.3 Executive officers and authorized persons for management

4. Oversee the Board of Directors to have size and composition which are appropriate for the organization and are changed to be consistent with the changing environment. The Board of Directors shall comprise individuals with knowledge, competence and experiences in various areas, as well as skills under the Skill Matrix determined by the Bank, and aligned with the Bank's current and future strategic missions and its sustainable development, without discrimination or exclusion of any person due to personal differences, such as religion, culture or gender, as a restriction in holding the director's office;

5. Oversee the directors, executive officers, and authorized persons for the Bank's management to receive an emolument which is appropriate for their duties and responsibilities with the Bank. The directors who are entrusted to have duties and responsibilities should receive the remuneration which is appropriate for those entrusted with duties and responsibilities;

6. Determine the guidelines and assess the performance of directors, executive officers and authorized persons for the Bank's management to consider revising the annual emolument by taking into account the duties, responsibilities, and related risks, and also emphasizing the long-term value addition for shareholders to support the assessment consideration;

7. Disclose the policy and details of recruiting procedures and policies on determination of remuneration and disclosure of remuneration in various forms, as well as prepare the remuneration determination report. The report also at least contains the details relating to operating goals and comments of the Nomination and Remuneration Committee in the Bank's Annual Report;

8. Take other actions as assigned by the Board of Directors.

• Corporate Governance and Sustainability Committee

List of the Members of the Corporate Governance and Sustainability Committee as of December 31, 2023 consists of:

1) Prof. Dr. Kittipong	Kittayarak	Chairman of the Corporate Governance and Sustainability Committee
2) Mr. Vichai	Assarasakorn	Member
3) Ms. Jiraphon	Kawswat	Member
4) Mr. Attapol	Attaworadej	Member
Mr. Krit	Chamapisit	Secretary

Details of changes in the members of the Corporate Governance and Sustainability Committee

1) Mr. Chamroen	Phothiyod	He retired from the Corporate Governance and Sustainability Committee Member's office on April 7, 2023 due to the expiration term of the director's office.
2) Mr. Attapol	Attaworadej	He has assumed the Corporate Governance and Sustainability Committee Member's office which is effective from April 11, 2023.

Details of change of member of the Corporate Governance and Sustainability Committee after December 31, 2023

1) Mr. Pinsai	Suraswadi	He has assumed the Corporate Governance and Sustainability Committee Member's office which is effective from January 15, 2024

Scope of Authority of the Corporate Governance and Sustainability Committee

1) Formulate the policies and operational guidelines, consider scrutinizing budgets for corporate governance and social and environmental responsibility, and propose to the Board of Directors for consideration and review to be always appropriate and up-to-date;

2) Supervise and monitor the operation regarding corporate governance, sustainability, and social, community and environmental care under the specified policies and goals;

3) Consider proposing a Code of Best Practices for the Board of Directors or regulations for the Board of Directors and every committee appointed by the Bank;

4) Recommend the requirements relating to the Bank's Code of Business Conduct;

5) Appoint a working group to support corporate governance, sustainability, and social and environmental responsibility as appropriate;

6) Promote the dissemination of the culture of good corporate governance and participation in operations on sustainability, doing social activities for thorough understanding at every level, and practical effect;

7) Any other tasks assigned by the Board of Directors.

• Risk Oversight Committee

List of the Members of the Risk Oversight Committee as of December 31, 2023 consists of:

1) Mr. Krairit	Euchukanonchai	Chairman of the Risk Oversight Committee
2) Mr. Thanwa	Laohasiriwong	Member
3) Mr. Virasak	Sutanthavibul	Member
4) Mr. Payong	Srivanich	Member
Mr. Ekachai	Techawiriyakul	Secretary

Details of changes in the members of the Risk Oversight Committee

1) Mr. Virasak	Sutanthavibul	He has held the Risk Oversight Committee Member's office since April 11, 2023, in replacement of Mr. Chamroen Phothiyod who retired from the Risk Oversight Committee Member's office due to the expiration term of the director's office on April 7, 2023.
2) Mr. Poonnis	Sakuntanaga	He resigned from the Risk Oversight Committee Member's office on August 17, 2023.

Details of change of member of the Risk Oversight Committee after December 31, 2023

1) Lt. Gen. Nimit	Suwannarat	He has held the Risk Oversight Committee Member's office on January 15, 2024, in replacement of Mr. Poonnis Sakuntanaga who resigned from the Risk Oversight Committee Member's office on August 17, 2023.

Authority and Duty of the Risk Oversight Committee

The Risk Oversight Committee advises the Board of Directors on the risk oversight framework of the Bank and the Financial Business Group and supervises the executive officers and the Head of the Risk Management Unit to comply with the risk management policy and strategies, including risk appetite levels. The Committee also oversee to ensure that the strategies for management of capital, liquidity, and information technology to support risks of the Bank and the Financial Business Group are consistent with the approved risk appetite levels; and reviews and verifies the adequacy and effectiveness of the overall risk management policies and strategies, including the risk appetite levels at least once a year or upon significant change. The Risk Oversight Committee should assess that the Bank and its Financial Business Group's risk management policies and strategies cover all types of risks, including new potential risks, and supervise to ensure the efficient implementation of policies and strategies as well as corrective action policy in control of the risk levels.

The Committee also quarterly reports to the Board of Directors about risk status, risk management efficiency, risk culture compliance status, as well as significant factors and problems, and things requiring improvement and correction to be consistent with the risk management policies and strategies of the Bank and the Financial Business Group.

Additionally, the Committee reports to the Board of Directors on the results of risk management action in extraordinary or emergency situations upon proclamation of the plan, such as a Business Continuity Plan (BCP), including the cases where there are events with significant impacts on the Bank's operating performance and capital status of the Bank, etc. The Committee assesses the efficiency and effectiveness of the head of the risk management unit and takes any other actions related to risk oversight as assigned by the Board of Directors.

• The Compliance Committee

List of the members of the Compliance Committee as of December 31, 2023 consists of:

1) Mr. Teerapong	Wongsiwawilas	Chairman of the Compliance Committee
2) Mr. Thanwa	Laohasiriwong	Member
3) Prof. Dr. Kittipong	Kittayarak	Member
4) Mr. Attapol	Attaworadej	Member
Mr. Pongsit	Chaichutpornasuk	Secretary
Ms. Dujhathai	Somboonnitaya	Assistant Secretary

Details of the changes in the members of the Compliance Committee

1) Gen. Tienchai	Rubporn	He retired from the term of compliance committee member's office on April 7, 2023.
2) Mr. Attapol	Attaworadej	He has held the compliance committee member's office on April 11, 2023.

Details of change of member of the Compliance Committee after December 31, 2023

1) Lt. Gen. Nimit	Suwannarat	He has held the compliance committee member's office on January 15, 2024, in replacement of Mr. Thanwa Laohasiriwong who retired from the Compliance Committee Member's office on January 15, 2024
2) Mr. Pinsai	Suraswadi	He has held the compliance committee member's office on January 15, 2024, in replacement of Mr. Attapol Attaworadej who retired from the Compliance Committee Member's office on January 15, 2024

Scope of Authority of the Compliance Committee

The Compliance Committee has the duty and responsibility as assigned by the Board of Directors to execute the following matters.

1. Supervise the Bank to manage risks arising from non-compliance with laws and set of regulations through the Compliance Unit.
2. Review the Charter of the Compliance Committee and the Charter of the Compliance Unit at least once a year or upon significant changes to propose to the Board of Directors for approval.
3. Assess the annual performance of the Compliance and Procedure Unit to avoid conflict of interest and to be independent, and regularly review the policy and assess the efficiency of risk management in regulatory compliance to ensure that the Bank's regulatory compliance is appropriate;
4. Approve the Annual Compliance Report;
5. Review the review report or monitor the regulatory compliance, and possibly recommend to review or monitor any transactions which are deemed that there may be non-regulatory compliance and the important matter that causes risk to the Bank;
6. Report to the Board of Directors to acknowledge the results of the regulatory compliance review or monitoring, as well as take improvement and corrective action in the case of non-regulatory compliance.

• Independent Directors Committee

List of the Members of the Independent Directors Committee as of December 31, 2023 consists of:

1) Mr. Virasak	Sutanthavibul	Chairman of the Independent Directors Committee
2) Mr. Thanwa	Laohasiriwong	Independent Director
3) Mr. Vichai	Assarasakorn	Independent Director
4) Mr. Teerapong	Wongsiwawilas	Independent Director
5) Ms. Jiraphon	Kawswat	Independent Director
Ms. Sineenard	Damri-Anant	Assistant Secretary

Details of the changes in the members of the Independent Directors Committee.

1) Gen. Tienchai	Rubporn	He retired from the Chairman of the Independent Directors Committee, and the Independent Director's office on April 7, 2023.
2) Mr. Virasak	Sutanthavibul	He has held the Independent Director's office, which is effective from April 7, 2023, and has held the Chairman of the Independent Directors Committee's office since April 11, 2023.
3) Prof. Dr. Kittipong	Kittayarak	He retired from the Independent Director's office due to the expiration of the 9-year term of the Independent Director's office on July 23, 2023.

Details of change of member of Independent Directors after December 31, 2023

1) Lt. Gen. Nimit	Suwannarat	He has held the Independent Director's office on January 15, 2024.

The Board of Directors highly emphasizes the roles and responsibilities of Independent Directors as an important part of ensuring adequate checks and balances for the structure of the Board of Directors. The structure of the Board of Directors should consist of more than half of the total number of Independent Directors. However, it depends on the suitability of each situation but the number must not be less than the rules of the related regulatory agencies. Each Independent Director can express independent opinions, give dissenting opinions, or make any other remarks in the Board of Directors' meetings with the objective of protecting the rights and benefits of shareholders and other stakeholders. This is to promote the implementation of the Bank's corporate governance. Independent Directors have their roles and duties as independent directors. In this regard, the Board of Directors has enhanced the work of Independent Directors. It operates in the form of a panel in the same manner as other sub-committees of the Bank. The Charter of the Independent Directors Committee has been established. The qualifications, and term of office, including duties and responsibilities, are clearly specified in the Charter.

Duties and Responsibilities of the Independent Directors Committee

1. Recommend the meeting agenda to the Chairman of the Board of Directors in the case where it is deemed as important matters or problem issues that should be considered by the Board of Directors and has not yet been included on the meeting agenda;
2. Provide opinions to the Chairman of the Board of Directors regarding the role and duty performance of the Board of Directors;
3. Support the Board of Directors for efficiency in compliance with the Corporate Governance Code.
4. In the case where the important agenda is considered in the Board of Directors' meeting, such as the connected transactions or significant trading assets, the Independent Directors more than half of the total Independent Directors should participate in the said important agenda.
5. In the case where the agenda of the Board of Directors' meeting is considered and the independent director may have any other dissenting opinions or observations, such opinions or observations should also be recorded in the minutes of the Board of Directors' meeting every time;
6. Monitor the duty performance of the Independent Directors who have been designated to take positions in various sub-committees, especially in the matters of supervision of operation, international accounting standards and risk management;
7. Take any other actions assigned by the Board of Directors.

Term of Office

The term of office is equal to the term of the director's office and does not exceed 9 consecutive years. Upon expiration of 9 years, if the Board of Directors/the Shareholders' Meeting will appoint to resume the office of the Bank's Independent Director, he/she must retire from being the director, manager, authorized person for management, advisor or employee of the Bank and the companies in the Bank's Financial Business Group for not less than 2 years before submission date of request for approving holding of the director's office to the Bank of Thailand.

7.3.3 Sub-Committees of the Management

- **Management Committee**

The Management Committee has the authority to establish the Bank's policies and strategic plan, supervise the compliance with policies established by the Board of Directors, the Board of Executive Directors and/or the Chief Executive Officer, follow up the Product Committee's approval result for launching new products, and monitor and review the operation to be in line with the Bank's strategic plans and have authority to approve the matters as stated in the Bank's rules/orders. The meeting of the Management Committee shall be held once a month or as appropriate.

- **Business Operating Committee**

The Business Operating Committee has the authority to consider and approve the policies and strategic plans of the Business Clusters to coordinate and in line with the Bank's strategic plans. The Committee shall monitor, review, and approve the operations of the Business Cluster related to or affected by the specified plans, as well as supervise the compliance with the policies assigned by the Board of Directors, the Board of Executive Directors, and other sub-committees in the matters related to the Business Cluster. The meeting of the Business Operating Committee is scheduled for holding at least once a month or as appropriate.

- **Assets and Liabilities Management Committee (ALCO)**

The Assets and Liabilities Management Committee has the authority to formulate the assets and liabilities structure management strategies and the capital of the Bank to be appropriate for the external conditions that affect the Bank's liquidity and profitability. Additionally, the analysis tools are utilized to determine interest rate, credit and deposit returns, and investment strategies to be appropriate for the Bank's liquidity management. The meeting of ALCO shall be held at least once a month or as appropriate.

- **Group Credit Committee Level 7**

The Group Credit Committee (GCC) Level 7 has the approval authority for credit and debt restructuring as stipulated in the Bank's order on the approval authority for credit and debt restructuring, and the approval authority of acceptance of collateral transfer as stipulated by the Bank. The meeting of the GCC shall be held at least once a week.

- **Management Level GRC Committee**

The Management Level GRC Committee has the authority to carry out affairs directed by the Board of Directors, the Board of Executive Directors, the Compliance Committee, the Audit Committee, the Corporate Governance and Sustainability Committee, and/or other related committees to the Management for execution, and/or matters directed by the Chief Executive Officer. This includes considering scrutinizing and giving opinions on credits and improvements in credit processes, approval authority, and tools, as well as the improvements in operating regulations related to credit processes. The Committee considers directing the credit-related matters directed by the Bank of Thailand, Office of the Auditor General, or other agencies and considers directing the related work units or related parties to report on the progress of the audit and takes actions on other findings by every regulatory agency, including legal actions which are the key issues based on the findings that significantly affect the Bank. In addition, the Committee monitors and supervises to ensure the reporting on the operating performance of the related work units or related parties under the Three Lines of Defense principle to create an efficient End-to-End Process management in line with the Bank's strategy. Moreover, the Committee considers the guidelines for risk management from the use of outsourcing service providers in the case of monetary damage or significant fines due to a breach of the contractual conditions of the outsourcing service providers. Inclusively, the standards on the appropriate risk prevention, correction and control must be established. The meeting of the Management Level GRC Committee shall be held at least once a month.

- **Credit Scrutiny Committee**

The Credit Scrutiny Committee has duties to consider and scrutinize works under the authority of the Board of Directors and the Board of Executive Directors, i.e. scrutinizing the approval of credit and debt restructuring as determined by the Bank, trading of non-performing assets, and underwriting of the selling and/or investment in debt instruments, except the debt instruments issued by the Government, the Bank of Thailand or other government agencies guaranteed by the Ministry of Finance. Moreover, the Committee also considers and approves credit limits, debt restructuring and credit transactions as specified by the Bank, and performs any other duties assigned by the Chief Executive Officer, the Board of Executive Directors and the Board of Directors. The meeting of the Credit Scrutiny Committee shall be held at least once a week.

- **IT Steering Committee**

The IT Steering Committee has the authority to control and supervise the Bank's operation to be in line with laws and set of regulations related to electronic transactions and information, considers and scrutinizes information technology plans of the Bank and the operation plans of the projects to cover the accuracy and continuity for customer and public services. The Committee also monitors the channels of fraud through information systems and determines the prevention guidelines for the threats that may arise from the use of information technology, which may affect the business operation of the Bank.

• Digital Steering Committee

The Digital Steering Committee has the authority to consider the guidelines for the appropriateness of implementation of projects related to Digital Banking to be appropriate for the Bank's digitalization strategy, as well as improve the existing products to be in the digital model, and provide advice and operational guidelines to the project team, monitor the project progress. Additionally, the important issues are decided to achieve the project objectives and correspond to the changing situations and to ensure that the products meet the customer needs and the risks stay at the acceptable level. However, the Committee also has the authority to consider the suitability, formulate a policy framework for projects to participate in testing in the Bank's Own Sandbox, and monitor the related testing before the provision of the broad services. Additionally, the Committee considers the appropriateness of the preparation of research and development projects and approves or gives preliminary approval to the project. The meeting of the Digital Steering Committee shall be held at least once a month.

7.4 Top Executive Officers

7.4.1 Names and Positions of Top Executive Officers as of 31 December 2023

Top Executive Officers based on the SEC's definition

1. Mr. Payong	Srivanich	Chief Executive Officer
2. Mr. Suratun	Kongton	Chief Wholesale Banking Officer
3. Mr. Ekachai	Techawiriyakul	Chief Risk Officer
4. Ms. Saranya	Vejakul	Chief Financial, Strategy & Resources Management Officer
5. Mr. Tawatchai	Cheevanon	Chief Product & Business Solutions Officer
6. Mr. Pongsit	Chaichutpornasuk	Chief Legal Compliance & Financial Crime Officer
7. Mr. Chanchai	Sinsuparat	Chief Service Fulfillment Officer
8. Mr. Panabhand	Hankijjakul	Chief Audit Officer

Group Head and Equivalents

1. Ms. Praralee	Ratanaprasartporn	Head of Digital Solutions Group
2. Mr. Weerapong	Suppasedsak	Head of Business Center Group
3. Mr. Rawin	Boonyanusasna	Head of Global Markets Group
4. Mr. Supawat	Wadhanapatee	Head of Human Resources Corporate Governance Group
5. Mr. Kittipat	Peantham	Head of Enterprise Relations Group
6. Mr. Chalerm	Pradidarecheep	Head Retail Banking Sales & Distribution
7. Ms. Suwanna	Anantanond	Head of Credit Restructuring and Asset Management Group
8. Mr. Krit	Chamapisit	Head of Communication and Branding Group
9. Mr. Thanakorn	Karnjananut	Head of Global Business Development and Strategy Group
10. Ms. Nareerut	Ariyaprayoon	Head of Retail Banking Product & Strategy Group

Details of changes of the Top Executive Officers in 2023

1. Mr. Santi	Parivisutt	Senior Executive Vice President Group Head, Operation Group Retired from 1 January 2023
2. Mr. Chanchai	Sinsuparat	Took the position of Senior Executive Vice President Group Head of Retail Shared Services Group Acting Group Head, Operation Group, replacing Mr. Santi Parivisutt who is retired from 1 January 2023

3. The Bank has appointed executives to serve as Chief Officers in alignment with the organizational structure, management, and top executive positions. There are a total of seven executives appointed to the role of Chief Officer, effective from October 19, 2023, as follows:

1. Mr. Suratun	Kongton	Get promoted from the position of Senior Executive Vice President Group Head, Corporate Banking Group 2 to be Chief Wholesale Banking Officer
2. Mr. Ekachai	Techawiriyakul	Get promoted from the position of Senior Executive Vice President Group Head, Risk Management Group to be Chief Risk Officer
3. Ms. Saranya	Vejakul	Get promoted from the position of Senior Executive Vice President Group Head, Financial Management Group to be Chief Financial, Strategy & Resources Management Officer
4. Mr. Tawatchai	Cheevanon	Get promoted from the position of Senior Executive Vice President Group Head, Global Transaction Banking Group to be Chief Product & Business Solutions Officer
5. Mr. Pongsit	Chaichutpornasuk	Get promoted from the position of Senior Executive Vice President Group Head, Compliance and Legal Management Group to be Chief Legal Compliance & Financial Crime Officer

6. Mr. Chanchai	Sinsuparat	Get promoted from the position of Senior Executive Vice President Group Head, Retail Shared Services Group to be Chief Service Fulfillment Officer
7. Mr. Panabhand	Hankijjakul	Get promoted from the position of Senior Executive Vice President Group Head, Internal Audit Group to be Chief Audit Officer

Furthermore, the position title of Senior Executive Vice President Group Head or First Executive Vice President Group Head was changed to simply "Group Head" on 9 August 2023.

4. Mr. Rungruang	Sukirdkijpiboon	Advisor to the Chief Executive Officer Acting Group Head of Retail Banking Product and Strategy Group resigned from 16 August 2023
5. Ms. Nareerut	Ariyaprayoon	Took the position of Group Head of Retail Banking Product and Strategy Group from 1 November 2023

Details of changes of the Top Executive Officers after 31 December 2023

1. Mr. Suripong	Tantiyanon	Took the position of Advisor to the Chief Executive Officer, from 2 January 2024
2. Mr. Phichitsak	Siripanjana	Took the position of Group Head of Retail Shared Services Group from 1 February 2024
3. Ms. Prakaidao	Damrongpan	Took the position of Group Head of Retail Banking Sales and Distribution Group from 1 February 2024, replacing Mr. Chalerm Pradidarecheep who retired from 1 January 2024

7.4.2 Remuneration Policy for Top Executive Officers

The Nomination and Remuneration Committee has the responsibility to ensure that the Chief Executive Officer, the executives at the level of Executive Vice the Chief Executive Officer or higher, and persons with management authority of the Bank receive remuneration that is appropriate to their duties and responsibilities. The appropriate remuneration shall be presented to the Board of Director annually for approval under transparent, clear and fair criteria and procedures, as well as the Bank's competitiveness compared to other leading financial institutions and companies in Thailand. This is in accordance with the Performance Driven Organization (PDO) policy leading to long-term sustainable success of the Bank's strategic plan. The Board of Directors shall consider the appropriate compensation in accordance with the Bank's policy which is associated with the Bank's performance both short and long term and in line with the performance of each executive. There shall be comparison with key performance indicators including financial indicators, indicators on creating a new business model under the parallel strategy- Carrier and Speedboat, and indicators on work process improvement and development to elevate the Bank's competitiveness and increase customer satisfaction. This also includes indicators related to business expansion from partners of customers through the X2G2X strategy, which is government-centric and connects business partners and retail customers with the efficiency of technology, along with indicators related to the Bank's sustainable success. Indicators based on 7 strategic focus under the concept of "Accelerating Sustainable Value Creation" include: creating value through business expansion with customers and trade partners, driving organizational efficiency with digital and data, developing platforms for growth in new dimensions, aligning business practices with ESG guidelines, enhancing future workforce capabilities, strengthening the organization's core technology infrastructure, and fostering cultural reform and cultivating a new working style to drive the organization with flexibility and agility.

7.4.3 Total Remuneration for Executives

In 2023, the Bank paid remuneration to Top Executive Officers as follows:

The remuneration of top executives according to the definition by SEC, consisting of a total of 8 top executives, comprising the Chief Executive Officer and Chief Officers, totaled 184.6 million baht.

Remuneration of 11 Group Heads and 73 Sector Heads (classified as the Management Authority according to the definition by BOT) totaled 744.3 million baht. They are divided into two groups. The first group consists of 76 Group Heads and Sector Heads, whom the Bank paid their salary, business unit allowance, extra gratuity, child allowance, child education allowance, housing allowance, social security money and contributed to their provident funds. The total remuneration of this group was 713.6 million baht. The other group consists of 8 Group Heads and Sector Heads, whom the Bank paid their salary, business unit allowance, extra gratuity, child allowance, child education allowance, housing allowance, social security money but does not contribute to their provident funds. The total remuneration of this group was 30.7 million baht. The remuneration included the special remuneration payment 2022 for 6 Group Heads and Sector Heads who retired in 2022 and received the special remuneration in 2023.

7.5 Information about Employees

As of 31 December 2023	Number of Employees
Executives	84
Group of Business Related Divisions	11,250
Group of Support Business Divisions	5,087
Total number of employees	16,421

• Compensations for Employees

The compensations given to the employees (including Top Executives) in 2023 are divided into salary, wage, bonus, provident fund contribution, medical expense, social security contributions, training courses expense, pension and other benefits in total amount of 19,626.4 million baht. As of 31 December 2023, the Bank has a total of 15,872 members in the provident fund.

• Employee Training and Development

The development of recruitment, supervision and human resource development are missions that the Bank places great importance on. The Bank has manpower planning and personnel training in line with the 2-Banking Models strategy - Carrier and Speedboat, to drive the business towards sustainability, with main strategy to develop and strengthen the working capacity of the future. The Bank focuses on recruiting and retaining high-potential employees along with providing skill development and training to employees through proactive human resource management policies. It begins by fostering interaction and engagement with external talent spanning from university to secondary education levels. This is achieved through partnerships with leading domestic and international universities, alumni of bank scholarship programs, Thai Students Associations abroad, as well as collaborations with government and private agencies. These collaborations involve initiatives such as accepting scholarship students from government agencies to engage in development projects, promoting talent in science and technology through organizations like IPST, and supporting scholarship projects of the National Science and Technology Development Agency (NSTDA). These efforts enable the Bank to attract a pool of potential personnel from top universities with rare specialized skills that are rare to find, enhancing its workforce. This is to create opportunities to recruit potential personnel in the fields that are necessary to drive the future business. The Bank aims to create a positive image to attract potential employees. In addition, the Bank also focuses on retaining high potential employees as they are the Bank's key force in moving towards digital banking and preparing high-potential employees to be a successor for the higher position.

The Bank has continued to implement the Krungthai Innovation and Digital Talent Resources Project through the Memorandum of Understanding on innovation partnership. This is to create cooperation with educational institutions in various regions, according to target groups, to develop knowledge and a network of competent personnel/potential in innovative technology and digital solutions to support the Speedboat organization in accordance with the Bank's new business model strategic plan. It is also a part of developing a sustainable organization in accordance with ECG principles in the social dimension, focusing on human capital and talent cultivation.

The Bank has recruited and selected potential students from this project to join Krungthai Bank and companies in the Financial Business Group, such as Infinitas by Krungthai Co., Ltd. and Arise by Infinitas Co., Ltd., via a project-based format, to exchange, learning and giving cooperation in developing technological innovations and business innovations, in addition to creating cooperation and finding talented personnel to join and support the Bank's future operations in the areas of Innovative Technology and Digital Solutions.

The Bank has also arranged courses and educational lectures led by "magnet" personnel to impart knowledge and experience, encompassing technical and soft skills, to students from universities that have entered into the Memorandum of Understanding (MOU) on Innovation Partnerships. Additionally, the Bank collaborates with government agencies offering IPST scholarships and NSTDA scholarships, offering avenues to draw talented individuals to work or intern with the Bank, thereby amplifying the Bank's branding efforts.

In addition, the Bank has continued to expand its cooperation with leading universities abroad and create partnerships with Thai student associations abroad by accepting students from both Thailand and abroad from the world's leading universities to work or intern with the Bank. This allows students to gain real work experience, and the Bank receives new knowledge, fostering innovation from leading countries around the world.

In developing employees, the Bank has focused on internally grooming talent to prepare them to become successors of the Bank. The following operations are carried out:

- Providing world-class training courses from leading universities worldwide, which are concentrated and meet international standards.
- Conducting Leadership Development that focuses on developing talents to grow in the future, cultivating a mindset that is ready to embrace change, and fostering both work and people management skills.

- Conducting secondments and rotations to provide learning opportunities across various work sites, enabling individuals to gain a broader understanding of the organization and develop deeper insights. This approach fosters well-rounded skills and facilitates networking among talent groups.

- Hackathons are hands-on events with the potential to transform into new initiatives that can increase the productivity of the organization. They also offer the opportunity to gain new perspectives from national mentors.

- Coaching & Mentoring opens perspectives and stimulates the potential of talents. It also provides talents with opportunities to engage in Inspiring Talks with executives, thus opening up their perspectives and strengthening the working vision for employees.

The development of personnel potential is another mission prioritized by the Bank to awaken courage for change and support upskilling/reskilling in terms of innovation, creativity, and design thinking. This will help enhance and reform the organization to meet the needs of strengthening the capacity for the future of work.

- [Succession Plan](#)

The Bank has a succession plan process in place; the succession plans for top executives will be annually reviewed. The successor readiness is divided into 3 levels as follows:

1. Successor with prompt readiness
2. Successor with readiness in next 1-3 years
3. Successor with readiness in next 3-5 years

In addition, the Bank has a systematic, clear succession plan process that covers various levels of management executives, through the analysis of needs, manpower, required competencies, knowledge, skills, experiences and the Career Path Roadmap. The purpose is to recruit the potential candidates to keep up with rapid changes and business needs. The Bank believes that employees are important resources in business operations and that the organization's growth depends on quality employees, therefore the Bank aims to develop personnel's capability. In particular, the Bank motivates all employees to have the courage-to-change attitude and supports upskill/reskill training in order to respond to the future trend of work. Thus, the Bank also promotes a working approach under the Formula-1 Culture with responsibility and good governance principles.

The Bank has prepared executives and potential employees, namely scholarship students and high potential employees, to develop into the new generation of executives and to prevent a shortage of high-potential personnel who will become the Bank's executives in the future. In addition, an individual development plan (Individual OKR) and a career path roadmap have been established for important positions and to enable continuous and efficient succession plan.

The Board of Directors assigned the Nomination and Remuneration Committee to be responsible for the continuity and consideration of appropriate management of the plans. This is to ensure that the Bank has a succession plan for recruiting, selecting and grooming personnel to replace critical positions in the Bank's operations in the event that such position becomes vacant because the previous person holding the position is appointed, transferred, retired, resigned or for any other reason. In this regard, the Bank takes into account equal opportunities to work for sustainable growth alongside the organization, and also encourages executives and employees to have the opportunity to rotate their jobs to work in other fields, as well as motivating the courage-to-change attitude and supporting upskill/reskill training to respond to the future of work trend. Besides, the Formula-1 Culture working style with responsibility and good governance is also promoted.

Based on the Bank's strategy for 2023 under the vision "Accelerating Sustainable Value Creation", three main objectives are pursued. These consist of: 1. Accelerating integration: laying the foundation and enhancing the business structure to be strong and modern; 2. Accelerating growth: fostering growth and maximizing the potential of existing resources and developments; and 3. Accelerating creation: establishing new businesses to cater to the needs of the Bank's trade partners and alliances as they transition into the digital economy. The Bank has continued to advance its business operations using two banking models, namely the Carrier and Speed Boat models. These are facilitated by 7 strategic focus, which include: 1) Unlock disproportionate value from X2G2X; 2) Leverage digital and data to drive efficiency; 3) Launch new growth platforms; 4) Support Sustainable and economic growth; 5) Build future ready capacities; 6) Upgrade core technology infrastructure; and 7) Transform culture: embed new ways of working to drive organization agility.

The Bank has guidelines for employee development to drive the Bank's strategy in accordance with its Vision "Accelerating Sustainable Value Creation", focusing on upskilling and reskilling employees across all employee groups. This ensures that employees can perform their work effectively and efficiently in a sustainable manner. Leadership development is emphasized, aiming to empower individuals to take on the role of Change Leader within their teams, while also fostering awareness, acknowledgment, and understanding of operations to support the Bank's sustainable business operations. Employee development is facilitated through a variety of training courses, including classroom training, virtual training, and online training. Details are as follows:

- [Strengthen Foundation](#)

The Bank has prioritized the creation of basic skills necessary for employees' job performance, as well as other skills that promote efficiency and effectiveness in sustaining the Bank's business operations. This also includes the establishment of an organizational culture of Zero Tolerance on corruption and the cultivation of awareness regarding the moral principles encapsulated in the Core Value: "Integrity, Breakthrough, Efficiency, Social and Teamwork". These principles serve as the DNA driving the Bank towards becoming a moral organization.

In addition, the Bank provides knowledge and understanding about management to prevent/reduce risks for employees working in areas such as risk oversight, assessment, and control. This includes those in supervisory roles, ensuring that employees are aware and perform their duties with care and caution. By doing so, the Bank can mitigate potential risks arising from its operations.

Leadership

The Bank aims to develop leadership potential in terms of management, creating leaders at all levels, and focuses on delivering results to achieve the organization's goals. It seeks to enhance knowledge, understanding, and skills in applying the Objective Key Result (OKR) tool, as well as to strengthen personnel potential through Coaching & Feedback. The Bank has organized a Transformative Leadership project to develop leaders and enable them to have the skills and roles of Change Leaders for their teams, expanding the use of Design Thinking concepts and OKRs to drive work that solves important issues and creates new opportunities for the Bank. Additionally, it aims to help leaders recognize the importance of creating engagement with employees. Therefore, "Micro Learning: Engaging Leadership" series has been established in an Edutainment style to provide leaders with knowledge and understanding, enabling them to effectively create engagement and manage teams under different situations. This initiative will also help them communicate to inspire and encourage their team members to develop their own potential, thereby strengthening the culture of self-learning within the organization.

In addition, the Bank encourages executives to attend training courses both domestically and internationally to learn about management, team management, new technology, and exchange knowledge with executives outside the organization.

Upskill - Reskill

The Bank has developed knowledge and skills among its employees to enable them to efficiently perform their jobs. This preparation equips them to fulfill their duties in accordance with the evolving organization, ultimately contributing to positive performance outcomes for the organization. Therefore, the necessary skills for personnel development have been determined in compliance with the Bank's policy as follows:

- **Future Banking:** To equip employees with the knowledge and skills necessary to understand and effectively utilize new information and technology in support of Digital Banking, thereby enhancing their competitive competency and enabling progression to the realm of Future Banking.
- **Retail:** To focus on enhancing product, marketing, and sales knowledge necessary for employees' performance in providing customer service, developing knowledge, enhancing their skills to become Solution Providers who offer comprehensive consultations to customers.
- **Credit:** To enhance the knowledge and skills in credit for targeted employees, thereby increasing their capabilities, and to establish the Management Trainee Credit Analyst (MTCA) project aimed at preparing employees for credit customer service.
- **Digital Mindset & Digital Literacy:** To develop employees' skills in Digital Mindset & Digital Literacy, including creating new innovations to meet the needs of customers in the digital era, and implementing the "Krungthai Hackathon" project. This initiative aims to cultivate an organizational culture that emphasizes engaging employees in problem-solving at the organizational level through brainstorming to seek solutions for existing challenges and generate new ideas to expand the Bank's future business operations. In addition, this also fosters the development of skills and potential through upskilling or reskilling in areas such as innovation, creativity, and design thinking. Employees gain valuable experiences and are motivated to consistently contribute ideas to the organization.
- **Cyber Security:** To support the continuous increase in the amount of data and the number of financial transactions through the digital system, the Bank focuses on training courses on cyber risk and data privacy for employees. This enables them to effectively manage risks and instill confidence in every group of customers.
- **Data Driven Organization:** The Bank emphasizes the utilization of existing databases and technology across all levels of the organization, aiming to enhance the analysis of its products and services. This enables the Bank to better understand customer needs and respond according to their preferences and categories. Furthermore, employees are encouraged and supported in developing proficiency in data management skills.

In addition, the Bank has developed employees' skills through upskilling and reskilling initiatives to transform them into Solution Providers. This supports new business zones in the Eastern Economic Corridor (EEC) area, expanding its business operations and providing financial services tailored to the needs of all investor groups, particularly in the integrated EEC area. This effort also enhances government services through electronic systems, facilitating businesses aiming to invest in the EEC area to achieve their goals.

Sustainable Organization Development (ESG)

To prepare for sustainable business operations, considering three aspects of social and environmental responsibility—Environment, Social, and Governance—the Bank has organized training sessions to raise employees' awareness, perception, and understanding as follows:

- **Fundamental Courses:** To lay the foundation and raise awareness and perception about ESG for the sustainable development of the organization, training sessions will be conducted for all employees.

- **Specific Courses for Function:** To enhance employees' understanding of ESG and enable them to apply it in compliance with operations within their respective work duties and departments.

The Bank plans to create training courses, including "Train the Trainer" courses, to further develop employees' knowledge, understanding, and ability to perform their duties, supporting the Bank in operating its business more sustainably. These courses will be carried out in collaboration with relevant agencies and experts in each pertinent field, including Environment, Social, and Governance.

In addition to developing policies to support the Bank's business operations as mentioned above, the Bank also places importance on organizing training sessions regarding the safety of the working environment to comply with legal requirements. This includes courses for safety officers at the executive level and courses for safety officers at the supervisor level. Additionally, employees can utilize the ONE Krungthai Application platform, which serves as an employee self-learning channel, enabling them to learn anywhere and anytime.

In 2023, the Bank organized both internal and external training for employees (both in domestic and international course) through various learning channels (Classroom Training, Virtual Training and Online Training), in a total of 1,001 courses, with 1,726 classes. The average duration of training is 68.94 hours/person/year.

7.6 Persons assigned to be directly responsible for overseeing bookkeeping, Corporate Secretary, Head of Internal Audit, Head of Compliance

- **Chief Financial Officer**

Ms. Saranya Vejikul

Chief Financial, Strategy & Resources Management Officer Acting Group Head of Financial Management Group

- **Head of Accounting**

Mr. Kanok Suwanaratana

Senior Vice the Chief Executive Officer Department Head, Accounting Department Group Controller, Financial, Strategy & Resources Management

- **Corporate Secretary**

The Board of Directors has appointed the Corporate Secretary since 2008 respectively. At present, Mr. Pongsit Chaichutpornasuk, Chief Legal Compliance & Financial Crime Officer, was appointed to be Corporate Secretary, with the purpose to comply with the amended Securities and Exchange Act B.E. 2535 (1992) and the Bank's principles of good corporate governance.

- **Head of Internal Audit**

Mr. Panabhand Hankijjakul

Chief Audit Officer

- **Head of Compliance**

Ms. Dujhathai Somboonnitaya

Executive Vice President Sector Head, Compliance and Procedures Sector

Further details regarding the qualifications of the Chief Financial Officer in charge of bookkeeping in Accounting and Finance, Head of Accounting, Head of Internal Audit, Head of Compliance, including the qualifications and duties of the Corporate Secretary are shown in Attachment 1 and Attachment 3.

7.7 Auditor's Fee

- **Audit fee**

The Bank and its subsidiaries paid an audit fee for the fiscal year 2023 in the amount of 32,105,000 baht.

- **Non-audit fee**

In the fiscal year 2023, the Bank and its subsidiaries paid compensation for various services, including hiring for a training project, hiring a consultant to review the estimated cash flow rate expected to be received or the expected life of the retail loans, managing accounting data about fixed assets and related accounting processes, hiring tax consultants for operations related to important bank projects, hiring for loan review, credit review management and operations, hiring a consultant for the Model Evaluation project, IFRS9 Model Validation project, Business consulting project under the Sustainability Strategy Development project, Project hiring work, hiring for an expert project to audit the Migrate Standard Consent data, hiring financial reporting consultants for the Bank's management, hiring a tax consultant (Tax call), hiring a consultant to improve the customer on-boarding process, establishing a process for preexisting due diligence, reporting customer's accounting data in accordance with the FATCA rules - Module 2 & 3, hiring Due Diligence consultants in Finance. The total amount of the non-audit fee services paid during the fiscal year is 16,673,100 baht, and the future payables amount is 65,340,000 baht.

Part 2 Management & Corporate Governance

8. Report on Key Performance Regarding the Corporate Governance



8.1 Summary of the Board of Directors' performance in the previous year

In 2023, the Board of Directors reviewed the compliance of the Corporate Governance Code within the Bank's business context. This assessment was conducted with responsibility and prudence by the Corporate Governance and Social Responsibility Committee. The Board of Directors approved the continuation of the suitable policy for CG Code Compliance and endorsed the execution of operations aligned with the Bank's business context to foster sustainable business value. To guarantee favorable outcomes, the Board of Directors meticulously examined the bank's business operations in accordance with each principle outlined in the CG Code. The summary of this review is as follows:

- The Board of Directors oversees the company, aiming to strengthen good governance and transform it into a financial institution for development. The primary goal is to create opportunities for people to access funding sources thoroughly, while also providing financial literacy to support the foundation of the economy. Consequently, this approach boosts the country's competitiveness and reduces social inequality through stable, transparent, and long-term organizational management. The incorporation of technology and innovation is crucial in managing and providing financial services effectively. The Bank sets key

objectives and goals for sustainable value creation. The Board is tasked with reinforcing financial stability, ensuring appropriate returns for shareholders, and maintaining top-notch product and service management. The Board of Directors plays a pivotal role in approving the determination of the Bank's mission, outlined as follows:

Vision:

"Growing Together for **SUSTAINABILITY**"

The Bank is determined to develop employee competency in order to support the growth and wealth of customers, enhance the quality of society and the environment, and generate outstanding and sustainable returns for shareholders.

Mission:

"Empowering **BETTER LIFE** for all Thais"

The Bank is endeavored to develop financial technology and innovation in form of the Thailand open digital platform to enhance the quality of life of Thai people and all groups of customers in various dimensions, such as initiating learning to the people up to the foundation level to be able to take advantage of technology, reducing inequality of people in accessing the fundamentals of the digital economy and minimizing the gap in income distribution in society, as well as taking part in jointly developing Thai society to move towards a digital society and a cashless society. Meanwhile, the Bank also aims to create financial equality for Thai people, such as the opportunity to access capital sources, financial literacy, fundamental rights for government services, and income equality for the people, in an attempt to support the Bank to achieve its new mission.

Moral Identity: Krungthai Core Value

The Bank has established Krungthai Core value "Integrity, Breakthrough, Efficiency, Social and Teamwork" and defined desirable behaviors of executives and employees in accordance with Krungthai Core value. This includes organizing the campaign for all executives and employees to jointly declare their intentions to work and behave with morality, ethics, and in compliance with rules, laws, and official regulations.

- Under corporate governance of organization management, the Board of Directors formulates strategies for short-term and long-term business operations in compliance with the company's mission and monitors the management's efforts to implement the strategic plans continuously and concretely. Furthermore, the Board provides the necessary resources to help them achieve their goals while ensuring appropriate communication and information disclosure, as well as performing duties with the awareness of honestly protecting shareholders' interests. The management must make a report to the board within the proper period for evaluation and annually review the Bank's vision, mission, core values, and strategies, including informing employees of the Bank's vision, mission, and directions in order to have correct understanding and operations moving in the same direction throughout the organization.

- The Board has reviewed and revised the Board of Directors' Charter, which outlines the powers and responsibilities of the Board of Directors as well as the roles and duties of the Chairman of the Board, for reference in the performance of all Board Directors' duties.

- The Board of Directors has approved and announced the implementation of the code of conduct since 1998. The code of conduct has been adjusted regularly in order to be appropriate and updated, as well as raising international standards and complying with dynamic circumstances and the Banking Industry Code of Conduct of the Thai Bankers' Association. The code of conduct is written for directors, executives, and employees as a guideline on standard practice, ethical business operations, and law compliance. Besides this, all staff should have the understanding and intention to comply with applicable laws. All supervisors at all levels shall have duties in monitoring to ensure that all employees are aware of, understand, and intend to adhere to the code of conduct as a part of their discipline.

Nevertheless, the current code of conduct, reviewed and approved by the Bank's Board of Directors, is divided into nine categories covering three key principles, i.e. integrity, fairness, and responsibility to stakeholders, which the Bank always adheres to as follows:

(1) Code of Business Conduct

It consists of practices on personal integrity, compliance with applicable law, ethical business principles, anti-corruption, anti-bribery, donation, giving back to the community, corporate social responsibility, environmental care, respect for human rights, respect for intellectual property rights, and government procurement.

(2) Roles of Directors and Executives

It consists of principles governing administrative roles, supervisory roles, and transactions with the Bank.

(3) Service Standards

It consists of principles of the standard of terms and conditions of service, requirements of the service standard, and debt collection standards.

(4) Personnel and Establishment

It consists of principles of workplace diversity, employment equity, dignity at work, workplace safety, and fair treatment.

(5) Responsibility to Customer

It consists of principles of taking care of maximum benefits for customers, handling procedures of customer complaints and advertising and marketing activities.

(6) Conflict of Interest

It consists of principles of internal data usage and data blocking, personal investment activities, conflict avoidance and accepting and providing incentives.

(7) Data Management

It consists of principles of confidential data management and responsible communication.

(8) Overall Governance

It consists of principles of compliance culture and internal whistleblowing procedure.

(9) Trade Monopoly and Dispute Resolution

It consists of principles of trade monopoly and internal and external dispute resolution.

- The Board of Directors considered, reviewed annually, and approved the Bank's vision, mission, and strategies in order to be appropriate and comply with the business environment. The Bank processed the review systematically by considering prudently internal and external factors in all aspects: economy, politics, environment, current innovation and technology, and their future trends, including the Bank's readiness, expertise, and competitive capability. Moreover, the Bank collected data from various sources and related persons, including survey results of important stakeholders' needs and expectations and attitude survey results of employees, customers, and people, etc. The Bank defines the Bank's policy framework, vision, mission, strategy, and business plan, including monitoring and ensuring implementation to achieve the organization's goals. In the meantime, the Bank organizes a brainstorming meeting between the Bank's Board of Directors, management, and executives of the affiliated companies to determine strategic directions and important projects that will drive the business group to achieve strategic goals. In this regard, the management incorporates the comments received from the meeting into the formulation of the Bank's business plan and proposes it to the Board of Directors for approval. The Bank also communicates the Bank's strategic plans and business plans as well as important goals to employees in the organization, such as through the annual business strategy seminar between the Bank's Board of Directors and executives. This enables the executives, from the level of branch and office managers, including department head and higher, to acknowledge the management policy and direction as a guideline for proactive operations.

- The Board of Directors delegated the policy to initiate an obvious process, engagement channels or the communication channels between stakeholders and the Bank and defined groups of stakeholders related to the Bank's insiders and outsiders, including guidelines for all stakeholders. The Bank formulated these issues in corporate governance policy and disclosed the principles such as treatment practices for stakeholders, stakeholder's opportunity in participation, whistleblowing and filing complaints through specified operation channels, etc.

- The Board of Directors has a policy for the Bank's treatment of stakeholders with respect to the rights under the relevant laws and not violating rights of stakeholders. It is required to provide a process to promote cooperation between the Bank and the interested parties in maintaining fair benefits as well as creating wealth and sustainability for the business.

- The Bank has established policy for determining guidelines for holding director positions in other companies in accordance with the regulations prescribed by the notifications of the Bank of Thailand and the principles of good corporate governance. Members of the Board of Directors must serve as president, executive director, or authorized director in no more than 3 business conglomerates and as directors in no more than 5 domestic and international listed companies.

- The Board of Directors supervises to have a framework and mechanism in place to ensure that the subsidiary and associated companies' policies and operations are adequate for each business investment.

- The Board of Directors has appointed a Corporate Secretary to carry out the actions required by law, including ensuring the smooth operation of the Board and access to necessary information. At present, Mr. Pongsit Chaichutpornasuk, Chief Legal Compliance and Financial Crime Officer, is appointed as Corporate Secretary.

- The Board of Directors has a policy to oversee the management in accordance with good corporate governance principles. As a result, the policy requires the Board of Directors to hold a meeting without the presence of the Management at least once a year. Additionally, the Committee encourages independent directors to have the opportunity to meet among themselves as necessary in the form of a panel to discuss interested issues of the management. Later, the summary of their opinions in each meeting must be reported to the Chief Executive Officer. The Charter of the Independent Director Committee specifies the Committee to hold the meeting at least twice a year. In 2023, there were 3 meetings of the Board of Directors without the presence of the Management and 5 meetings of the Independent Director Committee.

- Policy Determination and Management Supervision

The Board of Directors performs its duties with consciousness to protect the interests of shareholders with honesty and prudence, especially in approving the vision, mission, strategy, and other important issues related to the direction and policy of the Bank, including a business plan and annual budget, by using the principle of rationality and analyzing the business environment, environment, and society carefully. At the end of the 2nd quarter of each year, the Board of Directors shall hold a meeting to review the Bank's policies and goals and shall establish the Bank's business plan for the next year in the last quarter in order to pass it on to the management for brainstorming with the executives of every department and every branch in the country to determine effective operational strategies in order to achieve the same goal.

For good corporate governance, the board and relevant executives shall have integrated management (Governance Risk & Compliance: GRC) and corporate governance compliance. The management process and operations must be linked, and there must be a clear person responsible for each step, from the bank's strategic planning, strategic plan, and business plan, to the determination of product launch policies, the development of tools, and processes and procedures to support the implementation of the bank's plans and policies, including results follow-up. In addition, the Board also controls and monitors the performance of the management to be transparent and in accordance with the Code of Conduct as well as oversees internal control and risk management in order to ensure appropriateness.

- The Board of Directors assigned the Nomination and Remuneration Committee to ensure that the Chief Executive Officer and top executives possess the knowledge, skills, proficiency (Skill Matrix), experience, and characteristics necessary for the organization to achieve its objectives.

- Charter of the Board of Directors states that duties and responsibilities of the Board of Directors that the board should

ensure succession plan and development plan for top executives to possess the knowledge, skills, proficiency, experience, and characteristics necessary for the organization to achieve its objectives, including providing efficient performance assessment of the Chief Executive Officer and top executives annually. The board ensures remuneration structure in line with organization culture regarding risks, prudent and transparent system of remuneration for top executives in accordance with their duties and responsibilities and performance complying with the Bank's financial performance in both short and long term.

- Succession Plan

The Board of Directors assigned the Nomination and Remuneration Committee to be responsible to scrutinize and develop the succession plan to possess continuity and conform to the business strategy of the Bank. The process is to ensure that the Bank has a succession plan for recruiting, selecting and grooming executives at each level that is a critical position. The Bank prepared the one who will be executive or manager so that the Bank can provide appropriate training and potential development in order to formulate a career path roadmap and succession pool for efficient succession. The Bank has clear plan and criteria on selecting successor, covering executives at all levels.

- The Board of Directors has a policy to encourage the Chief Executive Officer and top executives, including employees, to be trained and developed in order to increase knowledge and experience that is beneficial to their operations. The Bank assigned the Krungthai Academy Department to be responsible for the training and development of employees and executives, as well as gathering needs for the development of executives and employees, the Bank's strategic plan, and executives' policies in order to define the Bank's human resources development plan, covering all necessary dimensions for the Bank's business operations. This is an improvement in working skills and new knowledge, as well as employee upskilling and reskilling, so that high-level executives and employees can do their jobs efficiently and effectively in a sustainable manner.

- Director Positions in Other Companies

1) Chief Executive Officer

The Chief Executive Officer can take the Director position in other companies, which shall not interfere with the exercise of his performance/duties as the Chief Executive Officer of the Bank, and he must not engage the Bank or the position in the Bank in connection with that business. In this regard, the restriction on being a director in companies listed on the Stock Exchange of Thailand, both in the country and abroad, is limited to no more than 5 companies (including the Bank but excluding the companies acquired through debt restructuring). The Office of the Chief Executive Officer must submit for further approval from the Board of Directors. Information about director positions in other companies shall be disclosed to shareholders in the Annual Registration Statement (Form 56-1) One Report.

2) Other Positions of Employees

Employees shall comply with the employee's regulations of the Bank.

- The Bank managed the remuneration in compliance with its performance in both the short and long term and assessed performance with a Balanced Scorecard. Currently, the Bank manages its human resources using a Performance Driven Organization (PDO) model and develops a performance management system that plans, tracks, and appraises performance in alignment with the Bank's business strategies and in relation to both short-term and long-term remuneration that is suitable to the job description and capability of the management and all employees in the organization. In this regard, the Bank has clearly defined the process, method, and procedure for evaluating the Chief Executive Officer's performance.

- The Board of Directors supports human resource management in line with the direction and strategy of the Bank. Employees at all levels have knowledge and abilities, as well as appropriate motivation and fair treatment. The Bank has established a provident fund in order to ensure that its employees have sufficient savings for their retirement.

- The Board of Directors delivers policy to the Bank regarding the important mission of driving the country's economy, and creating business growth to step into a full range of digital banking that can satisfy all lifestyles of customers in the technology disruption era. Meanwhile, the Bank must take into consideration operating businesses with awareness of the environment, social, and governance (ESG) principles. The Board of Directors places importance on fostering an organizational culture that promotes innovation and supervises the management to use it as a part of reviewing the Bank's strategy, planning operation improvement, and promoting innovation creation in order to add value to the business in line with changing environmental conditions, including collaborating with partners to design and develop of Bank products and services.

- The Board of Directors encourages the Bank to practice Responsible Lending, which is a method of operating the banking business that promotes tangible and efficient sustainable banking by cultivating a corporate culture that prioritizes long-term growth over short-term profits. This approach has taken into consideration the risk in various aspects; including Environment, Social, and Governance (ESG) features. The Bank shall analyze both positive and negative impacts, and the impact on the stakeholders arising from lending or being customers of the Bank, in order to support the concrete ESG implementations.

- The Board of Directors has emphasized the importance of overseeing the organization's management in order to balance the benefits of all stakeholders and defined it as a practice in corporate governance policy approved by the Board of Directors. Moreover, in order to ensure that various groups of stakeholders are treated in the same way and those employees and normal persons know the channels to express opinions and engage in the Bank's operations, the Bank has issued a guideline for the roles and participation of stakeholders and promulgated it throughout the organization since 2018.

- The Board of Directors approved the policy on social and environmental responsibility in order to announce the intention to conduct business with social and environmental responsibility under the vision Growing Together for [SUSTAINABILITY](#), aiming to develop personnel's potential to support growth and

wealth for customers and better quality for society. The Bank serves as a financial institution alongside Thai people by providing financial services to people at all levels, assisting customers and Thai people in times of crisis, and encouraging strong growth in the Thai economy.

- The Board of Directors has recognized that the Bank is the country's leading financial institution that gives importance to risk management and systematic and effective risk control. The Committee has clearly formulated the risk management structure, policies, and guidelines for risk management as well as established a good risk governance framework in order to support business operations in line with the Bank's direction and target as detailed in the topic of Risk Factors.

- The Board of Directors has obviously determined the structure, policy, and framework for risk management to envelop all aspects of risk management in compliance with the frameworks prescribed by the Bank of Thailand (BOT). Thus, the Bank has adopted the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which is the framework specifying the structure of integrated risk management (Enterprise Risk Management: ERM) under the international standard. Its main principle is to connect the risk management process with strategic planning and business opportunities of the Bank in order to help integrate the administration and managing risks for the whole organization. Risk Appetite and Risk Tolerance are determined in terms of both quantitative and qualitative aspects through setting as a specific value or as a range depending on the Key Risk Indicators used and the suitability in order that the Bank can achieve its objectives and goals. As a result, the Bank shall be able to set processes and guidelines as well as use various tools in risk management and the early warning system. Eventually, the aforementioned risk management policies and strategies will add more value to the organization, the shareholders, including all groups of stakeholders in a sustainable manner.

- The Board of Directors stipulated a policy for the Bank to foster a risk management culture. The Bank has a risk governance structure according to the principles of 3 Lines of Defense, covering from the Board of Directors, the Management to business units, which consists of all employees. It reflected the organizational structure and raised the level of risk management. The Risk Oversight Committee (ROC) was designated to drive and oversee risks to be in accordance with the policy and at the risk appetite level.

- The Board of Directors has stipulated a corporate governance strategy and reviewed short-term and long-term policies/approaches, and plans. The Board of Directors, executives, and employees are aware of the importance of driving anti-corruption in all forms under the "Sustainable Krungthai" by using the concept of "Inside-Out Blasting," providing fair services to customers (Market Conduct), developing procedures that prevent conflicts of interest, creating a Zero Tolerance corporate culture by fostering employees' awareness of morality and compliance with regulations to prevent potential misconduct from various risks, improving internal process standards, and preparing an anti-bribery guideline. In this regard, the "No Gift Policy" has been implemented in the year 2023 for the seventh consecutive year. The Chairman of the Board of Directors and Chief Executive Officer as leaders take action in declaring the intention to continue the Zero-Tolerance

corporate culture and instill a consciousness in working with Krungthai Core value, namely Integrity, Breakthrough, Efficiency, Social and Teamwork as the DNA of the organization. This will drive the Bank towards becoming a moral organization. Particularly, the Bank adheres to the No Gift Policy project and continues the intention of "Moral Organization." The Bank asks for cooperation in refraining from giving gifts to executives and employees in order to jointly create a Zero-Tolerance corporate culture and instill employees' consciousness in working with honesty and transparency, as well as drive the Bank towards becoming a moral organization. The Bank would like to express thanks and accept all good wishes and hold on to the intention of the "No Gift Policy" in every festival to campaign for a good corporate culture with honesty, morality, and ethics, promote good corporate governance; act with transparency and anti-corruption; and integrate cooperation in reforming the anti-corruption process.

- The Board of Directors has approved an anti-corruption and anti-bribery policy that has been regularly adjusted to be adequate and updated in accordance with the changing situations. The Bank has announced the latest anti-bribery and corruption policy and published on the Bank's website.

- The Board of Directors has a policy that the Bank has proactively implemented risk management and anticorruption policy and requires a guideline to prevent actions against laws and government regulations. The Bank has issued guidelines for (1) information disclosure and transparency, (2) roles and participation of stakeholders, (3) prevention of conflicts of interest and (4) prevention of receiving and giving bribery and corruption. The Bank has announced the implementation of four guidelines and published further details on the Bank's website.

- The Board of Directors sets a whistleblowing policy and gives opportunities to stakeholders to report any wrongdoing through various channels. Any wrongdoing, including corruption, illegality, or violations of the Bank's or regulators' regulations, committed by directors, executives, staff, employees, or subsidiaries' staff, can be reported directly to the Chairman of the Board of Directors via email: whistletruth@krungthai.com. Anyhow, the name of the whistleblower will be kept confidential and protected during the examination and after the process finishes.

- The Board of Directors has given importance to supervision and management of Subsidiaries and Associate groups to strictly comply with the policies.

- The Board of Directors has a policy to encourage the Bank to disclose its information in compliance with laws, regulations, obligations, and crucial standards that the Bank has strictly followed. Moreover, the Bank has issued guidelines for information disclosure and transparency and announced their implementation as a practice and standard for employees at all levels in all departments in both the central and regional sectors. The guideline is also published on the Bank's website.

- The Board of Directors has supervised the Bank to disclose information about financial status and operation results according to the criteria of related regulators by submitting financial report on a quarter and annual basis as per the criteria and within the prescribed time and publicizing the report in Thai

and English version through electronic news on the website of the Stock Exchange of Thailand and the Bank so that shareholders can access the report equally. However, the Bank has placed importance on the preparation of financial statements to be accurate in accordance with generally accepted accounting standards and choose to use the appropriate accounting policy and comply with it regularly. The financial statements of the Bank have been unconditionally certified by the auditor. The Bank has never been ordered to amend the financial statements by the Securities and Exchange Commission and never delayed submission of the financial report or was charged fines.

- The Board of Directors has a policy for the Bank to prepare the Management Discussion and Analysis (MD&A) of financial status, operating results, and crucial changes, including factors affecting the Bank's financial status and operating results, and to publicize the explanation and analysis in Thai and English versions through electronic news on the website of the Stock Exchange of Thailand and the Bank so that investors can access the report equally.

- The Board of Directors has a policy that the Bank shall prepare a report on compliance with the good corporate governance principle on an annual basis as detailed in Form 56-1 One Report, which is publicized through electronic news on the website of the Stock Exchange of Thailand and the Bank website so that shareholders can access the report equally.

- The Board of Directors has a policy that the Bank shall prepare a Sustainability Report, in which all the stakeholders have been acknowledged since 2006. At present, the Bank conducts a Sustainability Report by executing the standards of the Global Reporting Initiative as a framework for information disclosure of the Bank's operations at the core level, covering sustainability in operations. The Bank has published it on the Bank's website.

- The Bank assigns Finance Strategy Team, as investor relations responsible for the disclosure of important information of the Bank that are beneficial to investors, securities analysts, as well as all related parties equally.

- The Board of Directors has established a policy requiring the Bank to disclose information required by law and others as deemed appropriate with transparency, equality, and timeliness. The Bank has prepared a guideline for information disclosure and transparency, announced, and publicized on the Bank's website.

- All documents that the Bank has submitted through electronic news on the website of the Stock Exchange of Thailand. The Bank has published them in Thai and English versions on the Bank's website every time.

- The website of the Bank has disseminated various information, both financial and non-financial related to the Bank such as vision, mission, core value, the nature of business, the names of the Board of Directors and executives, financial statements, current and previous reports of financial status and operation results, Form 56-1 One Report that can be downloaded, including any other information or documents presented by the Bank to analysts or the media, etc.

8.1.1 Recruitment, Development and the Performance Evaluation of the Board of Directors

(1) Independent Director

The Board of Directors nominated the independent directors with prudence and transparency. After all this time, the Bank completely complied with the process of nomination and appointment of independent directors. On 31 December 2023, the Bank had 5 independent directors out of a total of 10 directors. It is calculated as 50 percent of the Board of Directors. All independent directors are qualified, knowledgeable, capable, and experienced, which is beneficial to the business of the Bank. All independent directors perform their duties with responsibility, cautiousness, and honesty, as well as in compliance with laws, objectives, regulations of the Bank and the meeting resolution. Moreover, independent directors independently perform their duties. Their work process is independent from the management and major shareholders of the Bank. Independent directors oversee the appropriate benefit integration of stakeholders within the Bank's business operations, as well as ensuring that no Independent Director holds an equal level position in the Bank's parent company, subsidiaries, or subsidiaries.

• Process of Nomination and Appointment of Independent Directors

The process of nomination and appointment of Independent Directors is the same as the process of nomination and appointment of other directors. Besides director qualifications, Independent Directors must possess complete qualifications in compliance with the Bank's definition of independent director as follows:

Definition of Independent Director

Independent director must not have any business or work related to commercial banks that might have an impact on his/her independent decision-making and must have additional qualifications which are more intensive than the Capital Market Supervisory Board's regulations in terms of (a) shareholding and (b) formal relationship regarding the participation in management.

(a) An independent director holds not more than 0.5 percent of all shares with voting rights of the Bank, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority of the Bank. This is inclusive of shares held by anyone who is affiliated with such independent director.

(b) An independent director is not being or having been a director which is not an independent director, employees, staff, consultant with monthly salary or entity with controlling authority over the Bank, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority of the Bank, unless such person has resigned from such positions for at least two years. Such prohibitions shall not apply to an independent director who has been a government officer or an advisor of a government authority that is the major shareholder or a regulator of the Bank.

(c) An independent director has no connection by blood or legal registration as father, mother, spouse, sibling, son/daughter or spouse of son/daughter of another director. Furthermore, an independent director has no such connection with an executive, a major shareholder, and an entity with controlling authority or an individual who will be nominated as director, executive or entity with controlling authority over the Bank or the subsidiary.

(d) An independent director has no business relationship with the Bank, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority of the Bank in such a manner that may obstruct their exercise of independent discretion. Furthermore, an independent director is not a significant shareholder or an entity with controlling authority over a party with business relationship with the Bank, the parent company, a subsidiary, an associated company, a major shareholder, or an entity with controlling authority of the Bank, unless they have been free of the nature for at least two years.

Such a business relationship is inclusive of a trading transaction occurring on a conventional basis or in the conduct of business; a rent or lease of property; a transaction involving assets or services; a provision or an acceptance of financial assistance through means of a loan, a guarantee, or the use of an asset as collateral against debt; and, other similar actions that result in the Bank or the party to the contract having a debt to be repaid to another party for an amount from 3 percent of net tangible assets (NTA) of the Bank or from 20 million baht, whichever is lower; The value of the business relationship shall be determined using the calculation method for determining the value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions, mutatis mutandis. The value of the obligation shall include any obligations incurred during the period of 1 year preceding the date of the business relationship with the same entity or person.

(e) An independent director is neither being nor used to be an auditor of the Bank, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority of the Bank, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Bank, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority of the Bank unless the foregoing status has ended no less than 2 years.

(f) An independent director is neither being nor used to be a professional service provider, including legal advisor or financial advisor who receives service fee exceeding baht 2 million from the Bank, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority of the Bank, and not being a significant shareholder, controlling person or partner of the said professional service provider unless the foregoing status has ended no less than 2 years.

(g) An independent director is not a director appointed as a representative of the Bank's director, major shareholder, or shareholder related to the major shareholder.

(h) An independent director is not undertaking a business of the same nature and in competition with the Bank or a subsidiary company, or not being a significant partner of a partnership, or executive director, employee, staff, advisor with monthly salary, or hold shares exceeding 1 percent of the total number of shares with voting rights of any other companies operating the business of the same nature and in competition with the Bank or a subsidiary company.

(i) An independent director does not have any other characteristics that prohibit the expression of independent opinion towards the Bank's business operation.

(j) An independent director must be a person who has passed the nomination process of the Board of Directors or the Nomination and Remuneration Committee.

After being appointed as Independent Directors with the characteristics under paragraph one (a) to (j), they may be assigned by the Board of Directors to make collective decisions involving the business of the Bank, the parent company, a subsidiary, an associated company, a subsidiary of equal level, a major shareholder or an entity with controlling authority, which can be decided in the form of a collective decision.

Furthermore, when the Capital Market Supervisory Board/the Securities and Exchange Commission announces any improvement/relaxation of the qualifications of Independent Director, it will then be applied afterward.

In case the person who is nominated to be an Independent Director, is the person who has / has had a business relationship or professional service exceeding the value specified in the definition of Independent Director, the Bank will arrange for the Board of Directors' opinion which is considered in compliance with the principle in section 89/7 of Securities and Exchange Act, B.E.2535 and the additional revision stated that the appointment will not interfere with the exercise of independent judgment in the Independent Directors' responsibilities. The Bank shall disclose the following information in the invitation letter of shareholders' meeting in the period of appointing Independent Directors.

- Manner of business relationship or professional service causing the said person not being qualified under the prescribed criteria
- Reason and necessity to maintain or to appoint the said person as the Independent Director
- Opinion of the Board of Directors to nominate the said person as the Independent Director

• Business Relationship of Independent Directors

According to the Notification of the Capital Market Supervisory Board Tor Chor. 39/2559, subject: Application for and Approval of Offer for Sale of Newly Issued Shares, the Bank discloses relevant information concerning the business relationship of Independent Directors in an amount from three percent of the net tangible assets of the Bank or from twenty million baht and above, whichever is lower. The Bank uses the criteria of value twenty million baht and higher. Details are as follows:

As of 31 December 2023, there were 5 Independent Directors namely:

1. Mr. Virasak Sutanthavibul took the positions of Independent Director and Member of the Audit Committee at T. Krungthai Industries Public Co., Ltd.; and Independent Director, Member of the Audit Committee and Member of Nomination and Remuneration Committee at Nirvana Development Public Company Limited.

2. Mr. Vichai Assarasakorn took the positions of Director in Panel Plus Company Limited, Director at the Panel Plus MDF Company Limited, the Chairman of the Board, the Independent Director and the Chairman of the Audit Committee at Asian Alliance International Co., Ltd.

3. Mr. Thanwa Laohasiriwong took the positions of Independent Director and Chairman of the Audit Committee at TPBI PCL.; and Independent Director and Chairman of the Audit Committee at PTT Global Chemical Public Company Limited; For the past two years, he has held the position of Independent Director, Member of the Audit Committee and Member of the Corporate Governance and Sustainable Development Committee at Global Green Chemicals Public Company Limited.

4. Mr. Teerapong Wongsirawilas took the positions of Independent Director, Member of the Audit Committee, and Member of the Nomination and Remuneration Committee at PTT Exploration and Production Public Company Limited.

5. Ms. Jiraphon Kawswat has been the Director and Member of the Enterprise Risk Management Committee, acting Chief Executive Officer and President at PTT Oil and Retail Business Plc., during the past two years.

These 10 juristic person offices have a business relationship with the Bank. The Bank grants credit lines and contingent liabilities in excess of twenty million baht. The Board of Directors has considered the qualifications of all Independent Directors with responsibility, prudence, and honesty, according to Duty and Responsibility of Directors and Executives under the Securities and Exchange Act B.E. 2535 (1992) and amendments thereto. The Board of Directors is of the opinion that having a business relationship or former business relationship as abovementioned is a normal business transaction for the Bank's business and it has general commercial terms and conditions. There are no characteristics that may hinder the use of judgment and do not affect the performance of duties, giving independent opinions, or being in accordance with the relevant criteria.

(2) Nomination of the Directors and the Chief Executive Officer

• Director Nomination

1. The Nomination and Remuneration Committee is responsible for the selection and nomination of directors according to the legal process and good corporate governance principles. The Committee considers the nomination of directors from various sources, including a director pool that provides proper director qualifications according to the relevant rules and regulations, the Bank's regulations and good corporate governance, together with the Charter of the Board of Directors in order to acquire a director with knowledge and expertise according to the predetermined skill matrix that is in line with the current and future missions and strategies of the Bank, including the sustainable development of the Bank. In this regard, the Committee considers the size, composition, and diversity that is appropriate to the organization in terms of gender, religion, culture, nationality, race, age, educational background, work experience, skills, or knowledge, as well as any other differences that are consistent with the law and social context for the board to be diversified, which causes different opinions and perspectives. This will benefit all stakeholders and promote sustainable growth.

In the case of recruiting individuals to replace directors whose terms of office have expired, the Nomination and Remuneration Committee shall consider candidates (if any) by allowing minority shareholders to nominate individuals for consideration and appointment as directors prior to the annual general meeting of shareholders, or by considering past performance for re-election to directorship positions.

2. The Nomination and Remuneration Committee proposes the name list of the nominated persons and opinion to the Board of Directors.

3. The Board of Directors approve the proposal of the names of the nominated persons for requesting an approval of the appointment of directors from the related regulatory agencies.

4. The Board of Directors proceeds on a case-by-case basis as follows:

4.1 In the case of the appointment of directors to replace the directors retiring after completing the term of office

The Board of Directors proposes a candidate to the shareholders meeting. The directors who are retired by completing the term of office may be re-elected. Rules and procedures for election of directors are as follows:

- Each shareholder has a vote equal to 1 share per 1 vote, except in the case of preferred shares, which may have fewer voting rights than ordinary shares as specified in their conditions.

- In voting for election of directors, shareholders vote for each director separately. Each shareholder will use all of the votes he has to elect one person or many persons as directors but cannot divide the votes for a specific person with more or less votes.

- Persons who receive the highest votes in descending order are elected as directors, equal to the number of directors that should be or should be elected at that time. In the event that the person elected in descending order, has equal votes and exceeds the number of Directors that should be nominated at that time, the Chairman of the meeting will give a casting vote for a final result. For nominating a person to be appointed as a director, it must be approved by the Bank of Thailand before presenting to the shareholders' meeting.

4.2 In case of nomination of directors to replace vacancies in other cases which are not the cases of 4.1

The Board of Directors (number of votes must not less than 3 of 4 of remaining Directors) appoints a person to be a director as well as holding the position for the remaining term of the director he replaces.

5. Internal departments of the Bank register the change of directors with the Ministry of Commerce as well as reporting to the relevant departments within specified time.

After all this time, the Bank complies with the process of nomination and appointment of directors correctly and completely.

• Nomination of the Chief Executive Officer

The Nomination and Remuneration Committee is responsible for recruiting, selecting, or screening nominees to be considered appointing the position of the Chief Executive Officer according to the transparent recruitment and selection process without discrimination in terms of different aspects. By announcing the recruitment, it gives opportunities to people with knowledge and ability, experience in managing a large organization, leadership, and vision to be elected as the Chief Executive Officer. The Bank will appoint a special committee to recruit and select a person who has appropriate knowledge, ability, and experience in line with the strategic direction

of the business strategy and sustainable development of the Bank, including the determination of compensation before proposing to the Board of Directors for consideration, and the selected nominee will be appointed according to the processes and procedures of the Bank respectively.

• Nomination of the Bank's Top Executives

The Board of Directors has assigned the Nomination and Remuneration Committee to recruit, select or screen candidates to consider appointing top executives and management authorities according to a transparent recruitment and selection process without discrimination. The Board of Directors, in collaboration with the Chief Executive Officer, Human Resources and Corporate Governance Group and related Group recruits appropriate individuals from the successor pool, both within and across Groups if the job description is similar and they can perform duties on each other's behalf. Successors must be individuals with high potential, good performance, and being in the talent group of the Bank's with expertise, work experience, and competencies that are suitable for duties and responsibilities, as well as a good attitude and having no history of disciplinary offenses. In addition, the Bank also considers successors from affiliated companies to be included in the Bank's pool, including consideration for employees of the Bank to work in affiliated companies according to the One Krungthai policy. This enables the executives to have the opportunity to work in other fields to learn new jobs and empowerment, including strengthening the continuous self-improvement, which is beneficial to the operations of the Bank and initiating the effective management. However, in case the Bank considers that it is unable to recruit a suitable internal person to replace the executive position in time, it will consider recruiting outsiders who have knowledge, ability, skills, and experience, leadership, vision, and a good attitude towards the organization, without discrimination on the differences in race, religion, gender, status, or physical disability, and propose to the Board of Directors for consideration and approval before proposing the selection consideration to the Bank of Thailand for approval respectively.

Enhancing the Board of Directors Effectiveness

The Board of Directors ensures that each member of the Board is knowledgeable and understands the roles, responsibilities, nature of business, and laws governing the Bank's operations. In this regard, on every occasion a new director is appointed, the Bank will arrange for an orientation or presentation of the directors' handbook so that a new member understands information about the Bank such as business plans, products and services, shareholder and capital structure, organizational structure, and legal issues that he or she should be aware of in order to perform duties as a member of the Board of Directors for the listed company.

Orientation for New Director

The Chief Executive Officer and the secretary to the Board of Directors presented various key topics and Director's manual in the orientation as follows:

- 1) The Bank's strategy and business operation
 - Krungthai's Strategy
 - Credit Principles
- 2) Vital information for the Board of Directors
 - Organization Structure
 - Structure and scope of responsibilities of the Board of Directors and Sub-Committees

- The Board of Directors' meeting and the meeting guidelines of the Board of Directors
- Information notification of the Board of Directors and relevant persons
- Shareholdings or trading that affect the Director qualifications of the Board of Directors
- The performance evaluation of the Board of Directors and the Sub-committees
- Director's Remuneration
- Director guidelines on actions that affect the Director qualifications of the Board of Directors (Yes & No)
- Shareholder and capital structure and dividend payout policy
- Important documents of the Bank, such as certificates by the Ministry of Commerce, the memorandum of association

Efficiency Plan for the Board of Directors' Corporate Governance

The Board of Directors uses the results of the Board of Directors assessment analysis and the guidelines according to the strategies of the Bank in establishing guidelines for enhancing skills (Skill Matrix), knowledge as well as the development of the Board of Directors, aiming for an effective Board of Directors. The Secretary of the Board of Directors shall coordinate with relevant

authorities in the private and public sector for both onshore and offshore. Moreover, training programs and activities such as study visits, exchanges of knowledge and experiences on the Bank's strategy and important technology are provided to the Board of Directors in order that the Board of Directors can bring in the unique knowledge and technology of new finance and trade to apply to the business operation of the Bank, leading to proactive change and ability to compete with competitors in future.

Board of Directors' Corporate Governance Efficiency Plan 2023

The Board of Directors had a policy of taking the opinions, suggestions of the Board of Directors and the skills and expertise (Skill Matrix) of the Board of Directors both through educational qualifications and work experience in line with the Bank's strategy as well as preparing the Board of Directors' corporate governance enhancement plan. It consists of 4 types, namely (1) training; (2) seminar; (3) study visits; (4) roaming meetings and operational visits of the Bank's businesses/ businesses of Bank customers.

Summary of the Directors' training and seminar during the year 2023

In 2023, a total of 10 directors attended training courses and seminars, or 100% of the total number of directors, with details as follows:

(1) Training

Ten directors attended the training, totaling 3 courses.

Course	Performance according to the annual plan 2023
1. Director Leadership Certification Program (DLCP) by Thai Institute of Directors Association (IOD)	<u>One director participated in the course:</u> Mr. Thanwa Laohasiriwong
2. Hot Issue for Directors: Climate Governance Program by Thai Institute of Directors Association (IOD)	<u>One director participated in the course:</u> Mr. Thanwa Laohasiriwong
3. Cyber Security Awareness 2023 Course Krungthai Bank PCL. with external lecturer	<u>Ten directors participated in the course:</u> Mr. Lavaron Sangsrit, Mr. Krairit Euchukanonchai, Mr. Vichai Assarasakorn, Prof. Dr. Kittipong Kittayarak, Mr. Thanwa Laohasiriwong, Mr. Teerapong Wongsiwawilas, Mr. Virasak Sutanthavibul, Ms. Jiraphon Kawswat, Mr. Attapol Attaworadej, and Mr. Payong Srivanich

(2) Seminar

Four directors attended the seminar, totaling 2 topics.

Topic	Performance according to the annual plan 2023
1. Sustainability Finance and Decarbonization Trend Exclusive Dinner Talk, organized by Krungthai Bank PCL.	<u>One director participated in the seminar:</u> Mr. Krairit Euchukanonchai
2. The Gartner IT Symposium/XpoTM 2023 organized by Gartner IT (Thailand) Limited	<u>Four directors participated in the seminar:</u> Mr. Krairit Euchukanonchai, Mr. Thanwa Laohasiriwong, Mr. Virasak Sutanthavibul, and Mr. Payong Srivanich

(3) Study visit

In June 2023, the Bank's Board of Directors embarked on a strategic study tour of the United States, where they explored world-leading companies renowned for their expertise in various fields. This experience is beneficial for the Bank in identifying and creating opportunities for business growth.

(4) Offsite meeting and observation visit for the Bank's operation and the businesses of the Bank's customers

In January 2023, the Bank's Board of Directors participated in an offsite meeting at the Training Center of Krung Thai Bank Public Company Limited in Khao Yai, Pak Chong District, Nakhon Ratchasima Province. Additionally, they conducted field visits to observe the operations of the Central Ayutthaya branch and the Saraburi branch, aiming to understand their performance and identify any obstacles. The directors also provided guidelines for improving operational processes.

A summary of training programs for all directors of the Bank are as follows:

Name of the Board of Director	Training Program and Class
1. Mr. Lavaron Sangsnit	- Class 58, National Defence Course, National Defence College - Class 205/2015, Director Certification Program (DCP), Thai Institute of Directors - Class 10/2022, Rule of Law for Democracy Course, College of the Constitutional Court - Class 12/2018, Top Executive Program in Energy Literacy, Thailand Energy Academy - Class 25/2017, Top Management Program, Capital Market Academy - Class 7, Top Executive Development: Government Administrators, Office of The Civil Service Commission - Security Awareness 2021, Krungthai Bank PCL with external lecturer - Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer - Cyber Security Awareness 2023, Krungthai Bank PCL with external lecturer
2. Mr. Krairit Euchukanonchai	- Class 16/2007, Role of Chairman Program (RCP), Thai Institute of Directors - Class 59/2005, Director Certification Program (DCP), Thai Institute of Directors - Top Executive Program in Energy Literacy, Thailand Energy Academy - Security Awareness 2021, Krungthai Bank PCL with external lecturer - Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer - Cyber Security Awareness 2023, Krungthai Bank PCL with external lecturer
3. Mr. Vichai Assarasakorn	- Class 22, National Defence Course for the Joint State-Private Sectors, The National Defence College - Class 215/2016, Director Certification Program (DCP), Thai Institute of Directors - Class 7/2016, Top Executive Program in Energy Literacy, Thailand Energy Academy - Class 8/2015, Top Executive Program in Commerce and Trade (TEPCoT), Commerce Academy, University of the Thai Chamber of Commerce - ASEAN Executive Management Programme, Year 2013, Sasin Graduate Institute of Business Administration of Chulalongkorn University (Sasin) - Class 12/2011, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand - Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, Year 2018, ACIS Professional Center - Cyber Resilience Program, Year 2021, the Bank of Thailand - Security Awareness 2021, Krungthai Bank PCL with external lecturer - Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer - Cyber Security Awareness 2023, Krungthai Bank PCL with external lecturer
4. Mr. Thanwa Laohasiriwong	- Class 60, National Defence Course, National Defence College - Class 2/2023, Hot Issue for Director: Climate Governance Program, Thai Institute of Directors Association (IOD) - Director Leadership Certification Program (DLCP), Class 9/2023, Thai Institute of Directors Association (IOD) - Class 13/2021, Board Nomination and Compensation Program (BNCP), Thai Institute of Directors - Class 45/2019, Role of the Chairman Program (RCP), Thai Institute of Directors - Class 2/2017, Boardroom Success through Financing, and Investment (BFI), Thai Institute of Directors - Class 2/2016, Driving Company Success with IT Governance (ITG), Thai Institute of Directors - Class 20/2015, Advanced Audit Committee Program (AACP), Thai Institute of Directors - Class 1/2015, Ethical Leadership Program (ELP), Thai Institute of Directors - Class 22/2014, Successful Formulation & Execution of Strategy (SFE), Thai Institute of Directors - Class 10/2004, Finance for Non-Finance Directors (FND), Thai Institute of Directors - Class 43/2014, Director Certification Program (DCP), Thai Institute of Directors - IBM/Harvard Management Development Program Year 2001 - IBM/INSEAD Management Development Program Year 1998

Name of the Board of Director	Training Program and Class
	15. Environmental Governance for Executive Officer, Class 4/2016, Department of Environmental Quality Promotion (DEQP), Ministry of Natural Resources and Environment 16. Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation Year 2018, ACIS Professional Center 17. Class 20/2019, Corporate Governance for Director and Top Management of State-Owned Enterprise and Public Organization Course (PDI), King Prajadhipok's Institute 18. Class 13/2019, Top Executive in Energy Expertise, Thailand Energy Academy 19. Class 3/2019, Executive Program on Rule of Law and Development (RoLD), Thailand Institute of Justice 20. Class 30/2020, Top Executive, Capital Market Academy, The Stock Exchange of Thailand 21. Year 2020, Cyber Resilience, the Bank of Thailand 22. Year 2021, Cyber Resilience Program, the Bank of Thailand 23. Security Awareness 2021, Krungthai Bank PCL with external lecturer 24. Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer 25. Cyber Security Awareness 2023, Krungthai Bank PCL with external lecturer
5. Prof.Dr. Kittipong Kittayarak	1. Class 49, National Defence Course, National Defence College 2. Class 112/2014, Director Accreditation Program (DAP), Thai Institute of Directors 3. Class 18/2015, Advanced Audit Committee Program (AACP), Thai Institute of Directors 4. Class 1/2013, Certificate in Law for Democracy, Office of the Constitutional Court 5. Class 1/2012, Top Executive Program in Energy Literacy, Thailand Energy Academy 6. Class 8/2009, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand 7. Class 10/2006, Top Executive Program in Justice Administration, Judicial Training Institute 8. Class 5/2001, Politics and Governance in Development Systems or Executive Course, King Prajadhipok's Institute 9. Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, Year 2018, ACIS Professional Center 10. Cyber Resilience, The Bank of Thailand (2020) 11. Security Awareness 2021, Krungthai Bank PCL with external lecturer 12. Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer 13. Cyber Security Awareness 2023, Krungthai Bank PCL with external lecturer
6. Mr. Teerapong Wongsawilas	1. Class 57, National Defence Course, National Defence College 2. Class 6/2022, Director Leadership Certification Program (DLCP), Thai Institute of Directors 3. Class 13/2022, Board Nomination and Compensation Program (BNCP), Thai Institute of Directors 4. Class 246/2017, Director Certification Program (DCP), Thai Institute of Directors 5. Class 8, Top Executive Program, Office of the Civil Service Commission (OCSO) 6. Class 12, Public Administration and Law for Executive, King Prajadhipok's Institute 7. Security Awareness 2021, Krungthai Bank PCL with external lecturer 8. Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer 9. Cyber Security Awareness 2023, Krungthai Bank PCL with external lecturer
7. Mr. Virasak Sutanthavibul	1. Class 18/2005, The Joint State - Private Sectors, The National Defence College 2. Class 21/2003, Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) 3. Class 10/2010, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand 4. Class 1/2012, Top Executive Program in Energy Literacy, Thailand Energy Academy 5. Class 17/2012-2013, Top Executive Program in Justice Administration, Judicial Training Institute 6. Class 2/2015, Completion and Graduation Pin, Institute of Business and Industrial Development (IBID) 7. Class 2/2018, Business Revolution and Innovation Network (BRAIN), The Federation of Thai Industries 8. Advanced Management Program, Harvard University, U.S.A. 9. Financial Institution for Private Enterprise Development, Harvard University, U.S.A. 10. Cyber Security Awareness 2023, Krungthai Bank PCL with external lecturer
8. Ms. Jiraphon Kawwat	1. Class 2/2023, Hot Issue for Director: Climate Governance Program, Thai Institute of Directors Association (IOD) 2. Class 9/2023, Director Leadership Certification Program (DLCP), Thai Institute of Directors Association (IOD) 3. Director Leadership Certification Program (DLCP) Year 2021, Thai Institute of Directors Association (IOD) 4. Class 2/2014, Director Certification Program Update (DCPU), Thai Institute of Directors 5. Class 6/2014, How to Develop a Risk Management Plan (HRP), Thai Institute of Directors 6. Class 21/2014, Successful Formulation & Execution of Strategy (SFE), Thai Institute of Directors 7. Class 180/2013, Director Certification Program (DCP), Thai Institute of Directors 8. Executive Development Program (EDP), Thai Listed Companies Association

Name of the Board of Director	Training Program and Class
	9. Class 20, Corporate Governance for Director and Top Management of State-Owned Enterprise and Public Organization (PDI), King Prajadhipok's Institute 10. Class 3, Rule of Law and Development Executive, Thailand Institute of Justice 11. Class 12, Top Executive in Energy Expertise, Thailand Energy Academy 12. Class 26/2018, Top Executive, Capital Market Academy Course, the Stock Exchange of Thailand 13. Senior Executive Program, London Business School, United Kingdom 14. Leadership Development Program III (LDP III) for senior PTT executives 15. Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer 16. Cyber Security Awareness 2023, Krungthai Bank PCL with external lecturer
9. Mr. Attapol Attaworadej	1. Class 330/2022, Director Certification Program (DCP), Thai Institute of Directors Association (IOD) 2. Graduate Diploma Program in Business Law (Law and Risk Management), Thammasat University 3. Class 80, The Civil Service Executive Development Program, Office of the Civil Service Commission (OCSC) 4. Class 11, Senior Executive Development Program, Office of the Civil Service Commission (OCSC) 5. Class 12, Anti- Corruption Strategic Management for Senior Executives, Office of the National Anti-Corruption Commission 6. Cyber Security Awareness 2023, Krungthai Bank PCL with external lecturer
10. Mr. Payong Srivanich	1. Class 223/2016, Director Certification Program (DCP), Thai Institute of Directors 2. Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation Year 2018, ACIS Professional Center 3. Executives Training and Development Program, Royal Thai Police 4. TIJ Executive Program on the Rule of Law and Development: RoLD 2019, Thailand Institute of Justice 5. Security Awareness 2021, Krungthai Bank PCL with external lecturer 6. Cyber Security Awareness 2022, Krungthai Bank PCL with external lecture 7. Cyber Security Awareness 2023, Krungthai Bank PCL with external lecture

At the meeting of the Board of Directors No. 23/2566 (1119) on 22 November 2023, the Board of Directors considered approval to enhance the Long-Term Corporate Governance Efficiency Plan (2024 - 2026) as proposed. The key issues were summarized as follows:

Board of Directors' Long-Term Corporate Governance Efficiency Plan (2024 - 2026)

It was implemented in compliance with the Board of Directors' corporate governance enhancement plan 2023 by using the analysis of the Board of Directors' performance assessment which the Board of Directors has jointly considered, including the Board of Directors' skill matrix to establish guidelines for enhancing skills, knowledge and development of Directors. The purpose is to boost up the skill matrix of Directors to be in line with the Bank's mission and strategy as well as strengthening an effective Board of Directors. It consists of 4 types of action plans: (1) training, (2) seminars, (3) study tours, and (4) mobile meetings and visiting the businesses of the Bank's customers. The implementation of the action plan is in accordance with appropriateness and situation for the best interest of the Bank.

Performance Evaluation of the Directors

According to the Charter of the Board of Directors, the Board of Directors oversees responsibilities to ensure the performance assessment of the Board of Directors as a whole, self-assessment and cross assessment of directors for twice a year. The assessment results are reviewed to find ways to improve their performance and consider the appropriate composition of

the Board of Directors. In this regard, the Board of Directors may seek external consultants or experts to assist in formulating guidelines or suggesting performance assessment of the Board of Directors. At the present, the Bank has not provided external consultants to help establishing guidelines and raise recommendations for performance evaluation of the Board of Directors as the Bank has an appropriate system for evaluating the performance of the Board of Directors as follows:

- There are performance assessments of the Board of Directors with criteria comparable to the principles/ recommendations of regulators such as the Bank of Thailand, the Securities and Exchange Commission, Thailand, the Stock Exchange of Thailand and organizations that oversee good corporate governance, i.e. the Thai Institute of Directors (IOD).
- There is a disclosure of the performance evaluation of the Board of Directors in the annual report annually.

Performance Assessment of the Board of Directors

The Bank has provided self-assessment of the Board of Directors in order to evaluate efficiency of the Board of Directors in compliance with the principles of good corporate governance. The assessment shall be held twice a year, which are in January-June and July-December of each year.

Assessment Process

- 1) The Bank reviewed the assessment form to be accurate, complete and cover all issues that regulators specified and in accordance with good corporate governance principles.

2) The Secretary of the Board of Directors submitted assessment forms to the Board of Directors.

3) The Secretary of the Board of Directors collected assessment forms, summarized their results and reported them to the Board of Directors.

4) The Board of Directors analyzed assessment results and defined ways to improve the efficiency of the operation and consideration of the suitability of the composition of the Board of Directors.

5) The Bank disclosed the assessment of the Board of Directors in the Annual Report.

The objective of the Board of Directors' performance assessment focuses on assessments that can reflect operational efficiencies and to consider the appropriateness of the composition of the Board of Directors by using the assessment results and the skill matrix of the Board of Directors to develop the Board of Directors' corporate governance enhancement plan, both short-term and long-term.

The performance assessment is categorized into 3 types, namely that of the Board as a whole, that of each individual director as a self-assessment, and that of each individual director as a cross assessment. The assessment topic are as follows:

a. Performance assessment of the Board of Directors as a whole

There are 6 topics for assessment, namely:

- (1) Structure and qualifications of the Board of Directors
- (2) Roles, duties and responsibilities of the Board of Directors
- (3) Practices guidelines for the Board of Directors
- (4) Communication of the Board of Directors
- (5) Relationship between the Board of Directors and the Management
- (6) Preparation and conduct of the meetings

The Board-as-a-whole performance assessment of the Board of Directors in 2023 during January to December 2023, the result is summarized by the overall assessment in 6 aspects at an excellent average score. The overall assessment result clarifies that the number of the members of the Board of Directors per the size of the business is appropriate. The number of Independent Directors is in compliance with the standard criteria set by the regulatory agencies. In addition, the Committees are also appointed in accordance with good corporate governance practices intended for studying and scrutinizing specific works, which are sufficient to take care of important issues in order to be able to conduct business carefully.

b. Performance assessment of each individual director as a self-assessment:

There are 6 topics of assessment, namely:

- (1) Distinction of proficiency
- (2) Independence
- (3) Preparation for undertaking missions

(4) Attentively perform duties within his/her scope of roles and responsibilities

(5) Performance of duties

(6) Having vision to create value to the business in long term

The assessment of the individual member of the Board of Directors (Self-Assessment) in 2023 during January to December 2023, the result is summarized by the overall assessment results in 6 aspects at an excellent average score. The overall assessment result clarifies that the Directors performed their duties with responsibilities, carefulness, honesty, as well as in compliance with the law, objectives and regulations of the Bank, including the resolution of the shareholders' meeting. The Directors provided opinions and recommendations based on best practices for the benefit of the Bank and regularly attended the meetings of the Board of Directors and sub-committees correspondingly.

c. Performance assessment of each individual director as a cross assessment

There are 6 topics of assessment, namely:

- (1) Distinction of proficiency
- (2) Independence
- (3) Preparation for undertaking missions
- (4) Attentively perform duties within his/her scope of roles and responsibilities
- (5) Performance of duties
- (6) Having vision to create value in long term

Assessment of the individual members of the Board of Directors by other members (Cross assessment) in 2023 during January to December 2023, the result is summarized by the overall assessment results in 6 aspects at an excellent average score. The overall assessment result clarifies that the Directors performed their duties with responsibilities, carefulness, honesty, as well as in compliance with the law, objectives and regulations of the Bank, including the resolution of the shareholders' meeting. The Directors also have a high degree of independence in responsibility to the Bank's stakeholders. There are no practices that may lead to conflicts of interest with the Bank and no disclosure of internal information or use of internal information for personal or other persons' benefits.

In addition, according to the Good Corporate Governance principle, the Board of Directors requires every Sub-Committee conducting assessment at least once a year and reports the assessment results to the Board of Directors for acknowledgment.

Performance Assessment of the Sub- Committee

The Bank conducts the performance assessment of the committees once a year, namely the Board of Executive Directors, the Risk Oversight Committee, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Sustainability Committee, the Compliance Committee and the Independent Director Committee. The assessment is divided into 2 types, consisting of the assessment

of the Committee-as-a whole and the self-assessment of each individual Director in order to assess the operational efficiency of every panel of the Committees.

Assessment Process

1) Each sub-committees prepare and review the assessment form in accordance with good corporate governance and guidelines for operations of sub-committees.

2) The Secretary of each sub-committees will submit assessment forms to sub-committee.

3) The Secretary of the sub-committees collects assessment forms, summarizes their results and reports them to sub-committee.

4) Sub-committee analyzes assessment results and determines guidelines for development and improvement of operations to be more efficient as well as submitting the assessment results to the Secretary of the Board of Directors.

5) The Secretary of the Board of Directors reports the results of sub-committee to the Board of Directors. The Board of Directors uses the evaluation results as a framework for review of the duties, problems and obstacles as well as analyzing the performance of the Board of Directors for operational development including the suitability of the composition of the sub-committee.

The assessment results of all Committees in 2023 were at an excellent level.

8.1.2 Meeting Attendance and the Remuneration of the Board of Directors

The Bank's regulations states that the Board of Directors shall hold meetings at least once a month. In 2023, the meeting of the Board of Directors has been scheduled in advance at every Wednesday in the second and fourth weeks of the month. The secretary of the Board is assigned to set the meeting schedule in advance for the whole year and submit the standard agendas for the monthly meetings. The meeting schedule and agendas shall be publicized in advance through the Bank's intranet in order that Directors can arrange their schedules and attend the meetings. Additionally, the Bank's regulations state that the Board of Directors is able to attend the meeting through electronic media, which must comply with the meeting requirements. This is considered as an additional channel for the Board of Directors to attend the meetings. According to the Charter of the Board of Directors, every Director is required to attend no less than 75 percent of the total number of meetings in each fiscal year, unless he/she is absent with necessary reason. Any Director who has an interest in a matter shall not vote on that matter. In such a particular case, the Chairman may request

the Director to leave the meeting temporarily. In this regard, the Committee related to the agenda for such a particular matter will review the relevant information and make comments and suggestions before proposing to the Chairman of the Board of Directors for approval and adding such matter in the agenda. Besides, the Independent Director Committee Charter has specified the duties and responsibilities of the Independent Director Committee in relation to recommending meeting agendas to the Chairman of the Board. In the event that there is an important matter or issue that the Board of Directors should consider and has not yet been included in the meeting agenda, the Independent Director Committee can propose such agenda items in the meeting. The Independent Director Committee consists of independent directors who are members of the Board of Directors that jointly consider the agenda of the Board of Directors' meetings. In this regard, Independent Directors can independently express their opinions or suggestions on the meeting agenda in order to generate prudence and risk management in all respects that may arise. Nevertheless, in order to ensure the meetings to run smoothly, the Bank has divided the agenda into distinct categories, such as the Chairman's statement, approval of Minutes of the previous meeting, continuous matters, policies, credits, debt restructuring, investments, buying/selling assets and procurement, human resources, matters for acknowledgement, and any other business. In addition, the Board of Directors has the policy of allowing the Chief Executive Officer to invite top executives to attend the meeting so that they can provide additional information to the problem directly as the related person. According to the regulations of the Bank, the meeting invitation must be sent to the Directors not less than 3 days prior to the meeting date. Except for an urgent case, in order to maintain the rights or interests of the company, the notice for the meeting may be made by other means and the date of the meeting may be earlier fixed. Previously, the Bank had always sent invitations to the Board of Directors on time. The secretary will write and keep written minutes of the Board meetings approved by the Board of Directors and make them available for inspection.

In 2023, the Board of Directors held a total of 25 meetings, the Board of Executive Directors 38 meetings, the Audit Committee 22 meetings, the Nomination and Remuneration Committee 18 meetings, the Corporate Governance and Sustainability Committee 13 meetings, the Risk Oversight Committee 12 meetings, the Compliance Committee 13 meetings, the Independent Director Committee 5 meetings, and the Labor Relations Committee 12 meetings. Details of each Director's attendance are as follows:

Name of Directors		Board of Directors	Board of Executive Directors	Audit Committee	Nomination and Remuneration Committee	CG & Sustainability Committee ⁽¹⁰⁾	Risk Oversight Committee	Compliance Committee	Independent Director Committee	Labor Relations Committee
1)	Mr. Lavaron Sangsnit ⁽¹⁾	25/25	21/31	-	13/14	-	-	-	-	-
2)	Mr. Krairit Euchukanonchai	21/25	31/38	-	-	-	12/12	-	-	-
3)	Mr. Vichai Assarasakorn	25/25	-	21/22	-	11/13	-	-	5/5	12/12
4)	Mr. Thanwa Laohasiriwong ⁽²⁾	25/25	-	6/6	17/18	-	12/12	13/13	5/5	-
5)	Prof. Dr. Kittipong Kittayarak ⁽³⁾	25/25	-	-	-	13/13	-	13/13	3/3	-
6)	Mr. Teerapong Wongsiwawilas	24/25	-	-	17/18	-	-	13/13	4/5	-
7)	Mr. Virasak Sutanthavibul ⁽⁴⁾	18/18	12/12	10/10	-	-	9/9	-	3/3	-
8)	Ms. Jiraporn Kawwat	25/25	-	22/22	-	13/13	-	-	5/5	-
9)	Mr. Attapol Attaworadej ⁽⁵⁾	18/18	-	-	-	9/9	-	9/9	-	-
10)	Mr. Payong Srivanich	24/25	34/37	-	-	-	11/12	-	-	-

Directors who resigned during the year

1)	Mr. Krisada Chinavicharana ⁽⁶⁾	16/16	-	-	-	-	-	-	-	-
2)	Gen. Tienchai Rubporn ⁽⁷⁾	7/7	-	6/6	-	-	-	4/4	2/2	-
3)	Mr. Chamroen Phothiyod ⁽⁸⁾	6/7	-	-	-	4/4	3/3	-	-	-
4)	Mr. Poonnis Sakuntanaga ⁽⁹⁾	14/15	18/19	-	-	-	8/8	-	-	-

Notes: Number in the table refers to the number of attendance/ number of Board Meeting held

- (1) Resigned from the position of Executive Director and Nomination and Remuneration Director on 11 October 2023.
- (2) Assumed the office of Audit Director on 13 September 2023.
- (3) Resigned from the position of Independent Director due to the termination of office term as Independent Director for 9 years on 23 July 2023.
- (4) Assumed the office of the Board of Director and Independent Director on 7 April 2023.
Assumed the office of Chairman of the Independent Committee, Audit Director and Risk Oversight Director on 11 April 2023.
Resigned from the position of Audit Director, and assumed the office of Executive Director on 1 September 2023.
- (5) Assumed the office of the Board of Director on 7 April 2023.
Assumed the office of CG and CSR Director and Compliance Director on 11 April 2023.
- (6) Resigned from the position of the Chairman and the Board of Director on 31 August 2023.
- (7) Resigned from the position of the Board of Director, Chairman of the Independent Committee, Audit Director and Compliance Director due to the termination of office term in the Annual General Meeting of Shareholders on 7 April 2023.
- (8) Resigned from the position of the Board of Director, Chairman of the CG and Sustainability Committee, and Risk Oversight Director due to the termination of office term in the Annual General Meeting of Shareholders on 7 April 2023.
- (9) Resigned from the position of the Board of Director, Executive Director and Risk Oversight Director on 17 August 2023.
- (10) The Corporate Governance & Social Responsibility Committee was renamed the Corporate Governance & Sustainability Committee on 24 April 2023.

Besides, the Board of Directors has a policy to oversee the Management in accordance with good corporate governance principles. The policy is to organize a meeting of the Board of Directors without the Management at least once a year in order that the Board of Directors can consider and share their opinions concerning their duties and responsibilities. In 2023, there were 3 meetings of the Board of Directors without the Management.

In 2023, the Bank held its 30th Annual General Meeting on 7 April 2023. All 12 Directors of the Bank attended the meeting (100% of the total number of Directors).

• Remunerations for Directors

Policy on Remunerations for Directors

The Bank structures its policy on fair and reasonable remunerations with the reviewing of the Nomination and Remuneration Committee. The consideration of remuneration must be in line with the Director's responsibilities and the Bank's financial status and overall economic outlook; must be comparable to the remuneration of the peers; and must be following the resolution approved by the shareholders meeting annually. Remuneration for directors, both monetary and non-monetary remuneration, is disclosed in the Annual Report.

The 30th Annual General Meeting on 7 April 2023, there was a resolution to approve the Directors' remuneration for the year 2023. The directors' remuneration was approved as follows:

Details of Remunerations for Krung Thai Bank Pcl.'s Directors	Per Person
1. Monthly remuneration (According to the term of office): 1.1 Chairman of the Board of Director 1.2 Member of the Board of Directors	baht 160,000.- / Month baht 80,000.- / Month
2. Meeting honorarium 2.1 Meeting honorarium for the Board of Directors (only for members of the Board of Directors who attend the meeting once a month. However, in case that there is a reasonable incident, the Bank may consider paying meeting honorarium more than once a month but not more than 15 times per year.) - Chairman of the Board of Director - Member of the Board of Directors 2.2 Meeting honorarium for respective committees, the Labor Relations Committee , subcommittee or other committees (only for the directors who attend the meeting, for a total of not more than 2 committees and not more than once a month for each committee) - Chairman of the Committee - Member of the Committee	baht 75,000.- / Time baht 60,000.- / Time baht 37,500.- / Time baht 30,000.- / Time
3. Directors' gratuities are subject to the criteria for paying directors' gratuities. That is, the Bank must have business profits and must pay dividends to shareholders. In this regard, the appropriateness of duties, responsibilities, and workload is considered, including the dividend payment rate, which is comparable to that of listed companies and commercial banks at the same level. The allocation of gratuities is at the discretion of the Board of Directors.	

Until now, the Bank has not offered any other remuneration to directors other than those approved by the Annual General Meeting.

In 2023, the Bank paid directors' remuneration totaling 28,792,349.47 baht, which included monthly remuneration, meeting honorarium for the Chairman and Directors on the Board of Directors, and meeting honorarium for the Chairman and Directors on the Committees. It is divided into:

1. Remuneration for the Directors in the Board of Directors with a total amount of 20,594,849.47 baht.
2. Remuneration for the members in the Board of Executive Directors with a total amount of 1,470,000.00 baht, for the Audit Committee 1,110,000.00 baht, for the Nomination and Remuneration Committee 1,110,000.00 baht, for the Corporate Governance & Sustainability Committee 1,170,000.00 baht, for the Risk Oversight Committee 1,590,000.00 baht, for the Compliance Committee 1,080,000.00 baht, for the Independent Director Committee 217,500.00 baht and for the Labor Relations Committee 450,000.00 baht. Details of the remunerations are as follows:



Name of Directors		Monetary Remuneration (baht)								
		Board of Directors	Board of Executive Directors	Audit Committee	Nomination and Remuneration Committee	CG & Sustainability Committee ⁽¹⁰⁾	Risk Oversight Committee	Compliance Committee	Independent Director Committee	Labor Relations Committee
1) Mr. Lavaron Sangsrit ⁽¹⁾	1,999,193.55	300,000.00	-	-	300,000.00	-	-	-	-	-
2) Mr. Kratrit Euchukanonchai	1,740,000.00	450,000.00	-	-	-	-	450,000.00	-	-	-
3) Mr. Vichai Assarasakorn	1,740,000.00	-	450,000.00	-	-	-	-	-	-	450,000.00
4) Mr. Thanwa Laohasriwong ⁽²⁾	1,740,000.00	-	60,000.00	450,000.00	-	-	300,000.00	-	-	-
5) Prof. Dr. Kittipong Kittayarak ⁽³⁾	1,740,000.00	-	-	-	450,000.00	-	-	330,000.00	30,000.00	-
6) Mr.Teerapong Wongsiwawilas	1,740,000.00	-	-	-	360,000.00	-	-	450,000.00	-	-
7) Mr. Virasak Sutanthavibul ⁽⁴⁾	1,304,000.00	120,000.00	150,000.00	-	-	-	180,000.00	-	112,500.00	-
8) Ms. Jiraporn Kawswat	1,740,000.00	-	360,000.00	-	360,000.00	-	-	-	-	-
9) Mr. Attapol Attaworadej ⁽⁵⁾	1,304,000.00	-	-	-	270,000.00	-	-	270,000.00	-	-
10) Mr. Payong Sivanich	1,740,000.00	360,000.00	-	-	-	-	330,000.00	-	-	-
Directors who resigned during the year										
1) Mr. Krisada Chinavicharana ⁽⁶⁾	1,874,838.71	-	-	-	-	-	-	-	-	-
2) Gen. Tienchai Rubporn ⁽⁷⁾	438,666.67	-	90,000.00	-	-	-	-	30,000.00	75,000.00	-
3) Mr. Chamroen Phothiyod ⁽⁸⁾	412,860.22	-	-	-	-	90,000.00	90,000.00	-	-	-
4) Mr. Poonnis Sakuntanaga ⁽⁹⁾	1,081,290.32	240,000.00	-	-	-	-	240,000.00	-	-	-
Total remuneration of Board of Directors	20,594,849.47									
Total remuneration of respective committees		1,470,000.00	1,110,000.00	1,110,000.00	1,170,000.00	1,590,000.00	1,080,000.00	217,500.00	450,000.00	
Total remuneration of the Board of Directors and all Committees										28,792,349.47

Meeting honorarium for each member in the respective committees shall be paid for a total of no more than 2 committees and no more than once a month for each committee. Therefore, if any committee member attends meetings of more than 2 committees, the meeting honorarium shall be paid for 2 committees only.

Note: (1) Resigned from the position of Executive Director and Nomination and Remuneration Director on 11 October 2023.

(2) Assumed the office of Audit Director on 13 September 2023.

(3) Resigned from the position of Independent Director due to the termination of office term as Independent Director for 9 years on 23 July 2023.

(4) Assumed the office of the Board of Director and Independent Director on 7 April 2023.

Assumed the office of Chairman of the Independent Committee, Audit Director, and Risk Oversight Director on 11 April 2023.

Resigned from the position of Audit Director, and assumed the office of Executive Director on 1 September 2023.

Assumed the office of the Board of Director on 7 April 2023.

Assumed the office of CG and CSR Director and Compliance Director on 11 April 2023.

(6) Resigned from the position of the Chairman and Board of Director on 31 August 2023.

(7) Resigned from the position of the Board of Director, Chairman of the Independent Committee, Audit Director and Compliance Director due to the termination of office term in the Annual General Meeting of Shareholders on 7 April 2023.

(8) Resigned from the position of the Board of Director, Chairman of the CG and CSR Committee, and Risk Oversight Director due to the termination of office term in the Annual General Meeting of Shareholders on 7 April 2023.

(9) Resigned from the position of the Board of Director, Executive Director and Risk Oversight Director on 17 August 2023.

(10) The Corporate Governance & Social Responsibility Committee was renamed the Corporate Governance & Sustainability Committee on 24 April 2023.

Gratuity Payment of the Directors in 2022

The Board of Directors allocated a total of 37,380,000.00 baht as gratuity for Directors in 2022. The details are as follows:

Unit: baht

Name of Directors/Formers Directors *		Gratuity
1) Mr. Krisada	Chinavicharana *	4,270,061.34
2) Mr. Krairit	Euchukanonchai	4,056,558.27
3) Mr. Vichai	Assarasakorn	3,202,546.01
4) Mr. Thanwa	Laohasiriwong	2,989,042.94
5) Prof. Dr. Kittipong	Kittayarak	2,989,042.94
6) Mr. Teerapong	Wongsiwawilas	2,989,042.94
7) General Tienchai	Rubporn *	2,989,042.94
8) Mr. Poonnis	Sakuntanaga *	2,989,042.94
9) Ms. Jiraporn	Kawswat	470,291.69
10) Mr. Lavaron	Sangsnit	2,989,042.94
11) Dr. Kulaya	Tantitemit *	2,562,036.80
12) Mr. Payong	Srivanich	2,989,042.94
13) Ms. Nitima	Thepvanangkul *	1,895,205.31
Total		37,380,000.00

Other Remunerations

None

8.1.3 Supervisory of Subsidiaries and Associated Companies

The Bank has the policy to authorize its executives to be directors of its subsidiaries so that the company's operating guidelines are in line with the Bank's objectives and strategies and to coordinate benefits with Bank and other companies in the group, such as jointly releasing products and creating competitive potential, etc. In accordance with the Bank's operating regulations, the Chief Executive Officer and/or the Board of Executive Directors are responsible for considering and approving the appointment of the Bank's executives as directors of the subsidiary company, as well as for considering and approving the exercise of voting rights in the company's shareholders' meeting.

Moreover, the Bank shall supervise the utilization of funds and business operations of the company by reporting on operating results and reporting on the results of the company's risk management submitted to the Risk Oversight Committee or the Board of Executive Directors or other Committee of the Bank as the policy specified. The company has submitted financial information to the Bank for the preparation of consolidated financial statements, and reports on transactions within the group on a monthly basis for regular data validation.

The Bank has made an agreement with other shareholders regarding joint venture management. The number of directors depends on the ratio of shareholding. The number of independent directors is determined by the regulatory authorities of such companies.

8.1.4 Monitoring to Ensure Compliance with Corporate Governance Policies and Practices

(1) Prevention of conflicts of interest

In 2023, the Bank adopted the Code of Conduct, revised edition (2022), which covers the Bank's operations in various areas, including the roles of directors and executives, service standards, responsibilities towards customers, conflicts of interest, information management, overall governance of personnel and establishments, and monopoly and dispute resolution. The Bank's Code of Conduct is in line with international standards, equivalent to the Banking Industry Code of Conduct. The Bank, in collaboration with other banks, prepared commercial banking business code of conduct guidelines to elevate the standards of business operations to be clear, concrete, and able to be properly implemented. In this regard, the Board of Directors of the Thai Bankers' Association has approved the guidelines, which are effective from 21 May 2020, onwards.

(2) Use of Insider Information to Seek Benefits

- Supervision of Employee Securities Trading

The Bank has established regulations for employees' securities trading and investment in the Bank for the employees to adhere to and to prevent employees in the Group and/or related business units from using insider information for benefit of their own and those involved in the securities trading. This is because they take advantage of the opportunity to receive insider information that has not yet been disclosed to

the public. In this regard, the Bank requires supervision by the head of the department to ensure that employees in the department comply with the prescribed regulations.

In this regard, if an employee in the business unit that has the opportunity to know insider information wishes to trade in the securities of a listed company, whether trading for oneself or for another related persons, he or she must request approval for trading through the Employee Trading System (ETS). If approved by the head of the department, such employees can trade only once for that approval. The work system will automatically report to the head of the department every time.

The Bank conducts a daily review of employee trading reports that have been reported via the said system to the management and submits a report to the Head of Compliance only for the month in which the transaction occurs.

In 2023, based on the review, there was no employee trading of securities that may have used insider information.

- Report on securities holdings of Krungthai Bank Plc. to the Board of Directors

The Bank requires directors and executives, specifically all Group Heads, advisors to the Chief Executive Officer, accounting executives, and investment management executives, as well as supervisors in charge of the Accounting department and Equity investment department, to have responsibility in reporting changes in securities holdings of Krungthai Bank Plc shares of their own and those of others with whom they have relationships to the SEC Office. This is to comply with the Notification of the Office of the Securities and Exchange Commission No. Sor Jor. 38/2561 Re: Preparation of Report on Changes to the Securities and Derivatives Holdings of the Director, Executive, Auditor, Plan Preparer, and Plan Administrator. In this regard, the Bank has assigned the management of the Compliance and Procedures Sector to report the Krungthai Bank Plc securities holdings of directors and executives to the Board of Directors for acknowledgment on a monthly basis in order to ensure the compliance with good corporate governance.

Table of Bank's Shareholding of the Board of Directors and Top Executives as at 31 December 2022 and 31 December 2023

Name of Directors and Top Executive Officers		Number of Shares							
		31 December 2022			31 December 2023			Change from 2022	Proportion (%)
		Own	Spouse and Child(ren) *	Total	Own	Spouse and Child(ren) *	Total		
The Board of Directors									
1. Mr. Lavaron Sangsnit Chairman		-	-	-	-	-	-	-	-
2. Mr. Krairit Euchukanonchai Vice Chairman		-	-	-	-	-	-	-	-
3. Mr. Vichai Assarasakorn Director		-	-	-	-	-	-	-	-
4. Mr. Thanwa Laohasiriwong Director		-	-	-	-	-	-	-	-
5. Prof. Dr. Kittipong Kittayara Director		-	-	-	-	-	-	-	-
6. Mr. Teerapong Wongsiwawilas Director		-	-	-	-	-	-	-	-
7. Mr. Virasak Sutanthavibul Director					-	-	-		
8. Ms. Jiraporn Kawswat Director		-	-	-	-	-	-	-	-
9. Mr. Attapol Attaworadej Director					-	-	-		
10. Mr. Payong Srivanich Chief Executive Officer		12,800	3,250 (Spouse)	16,050	12,800	3,250 (Spouse)	16,050	No change	0.00011
Top Executives as SEC's Definition									
11. Mr. Suratun Kongton Chief Officer		-	-	-	-	-	-	-	-

Name of Directors and Top Executive Officers		Number of Shares							
		31 December 2022			31 December 2023			Change from 2022	Proportion (%)
		Own	Spouse and Child(ren) *	Total	Own	Spouse and Child(ren) *	Total		
12. Mr. Ekachai Chief Officer	Techawiriyakul	-	-	-	-	-	-	-	-
13. Ms. Saranya Chief Officer	Vejakul	-	-	-	-	-	-	-	-
14. Mr.Tawatchai Chief Officer	Cheevanon	-	-	-	-	-	-	-	-
15. Mr. Pongsit Chief Officer	Chaichutpornasuk	-	-	-	-	-	-	-	-
16. Mr. Chanchai Chief Officer	Sinsuparat	-	-	-	-	-	-	-	-
17. Mr. Panabhand Chief Officer	Hankijjakul	-	-	-	-	-	-	-	-
Group Head									
18. Ms. Praralee Group Head	Ratanaprasartporn	-	-	-	-	-	-	-	-
19. Mr. Weerapong Group Head	Suppasedsak	-	-	-	-	-	-	-	-
20. Mr. Rawin Group Head	Boonyanusasna	-	-	-	-	-	-	-	-
21. Mr. Suppawat Group Head	Wadhanapatee	-	-	-	-	-	-	-	-
22. Mr. Kittipat Group Head	Peantham	-	-	-	-	-	-	-	-
23. Mr. Chalerm Group Head	Pradidarecheep	12,600	-	12,600	12,600	-	12,600	-	0.00009
24. Ms. Suwanna Group Head	Anantanond	-	-	-	-	-	-	-	-
27. Mr. Krit Group Head	Chamapisit	-	-	-	-	-	-	-	-
28. Mr. Thanakorn Group Head	Karnjananut	-	-	-	-	-	-	-	-
29. Ms. Nareerut Group Head	Ariyaprayoon				-	-	-		
Change of the Bank's directors									
1. Dr. Kulaya Director (Resigned, effective 1 Jan. 2023)	Tantitemit	-	-	-					
2. Mr. Chamroen Director (Appointed, effective 11 Jan. 2023; Resigned from position, effective 7 April 2023)	Phothiyod								

Name of Directors and Top Executive Officers	Number of Shares							
	31 December 2022			31 December 2023			Change from 2022	Proportion (%)
	Own	Spouse and Child(ren) *	Total	Own	Spouse and Child(ren) *	Total		
3. Mr. Poonnis Sakuntanaga Director (Resigned, effective 17 Aug. 2023)	-	-	-					
4. Mr. Krisada Chinavicharana Chairman of the Board (Resigned, effective 31 Aug. 2023)	-	-	-					

Change of Top Executive & Group Head

1. Mr. Santi Parivisutt Group Head (Retired, effective 1 Jan. 2023)	-	1,070 (Spouse)	1,070 (Spouse)					
2. Mr. Rungruang Sukkirdkijpiboon Advisor to the Chief Executive Officer (Resigned, effective 16 Sep. 2023)	-	-	-					

Note: *Minor child

(3) Anti-Corruption

Related actions to anti-corruption of the Bank are driven by corporate leaders (tone from the top). The Board of Directors highlighted the importance of action against corruption and bribery. The Bank is committed to conducting business with honesty and integrity and aims for the Bank's employees to perform their duties with transparency, free from corruption and fraud, as a priority. In 2023, the Board of Directors approved a review of the Anti-Bribery and Corruption Policy to cover all forms of anti-corruption and to ensure that all employees follow the same direction on the basis of anti-corruption. Hence, one important thing is that the Board of Directors aims to raise awareness among employees about the prevention of bribery and corruption, which will lead to building a good culture within the Bank.

Furthermore, the Compliance Committee has assigned the Cluster Legal Compliance & Financial Crime to prepare operating regulations on the prevention of bribery of government officials in order to determine guidelines for the establishment of internal control measures in Bank regarding the prevention of bribery to government officials and in accordance with the Organic Act on Prevention and Suppression of Bankruptcy Corruption, B.E. 2561, Section 176.

As for the operating regulations, the Bank has announced the Anti-Bribery Regulations for government officials as a guideline for the Bank's employees to adhere to properly and in accordance with the related laws for the Bank, which is an important preventive measure. The said regulations set out guidelines for the Bank's operations in accordance with the Bank's anti-bribery

and corruption policy and in accordance with the guidelines for the establishment of appropriate internal control measures to prevent the bribery of officials, stipulated by the NACC Office. Moreover, the regulation has set important principles that the giving of property or any other benefit to a state official cannot be done unless it is done under the rules of the Organic Act on Anti-Corruption and as prescribed in these regulations. The aforementioned regulation stipulates unified procedures for the prevention of bribery of government officials. The significant details are summarized as follows:

- Risk assessment process: The risks of bribery of government officials must be identified and assessed by gathering information and analyzing the risks of bribery to government officials. Once the potential risks have been analyzed, for significant risks, the Bank will institute preventive and corrective measures against potential risks to the Bank. A risk assessment must be conducted on a regular basis at least once a year in order to reflect the changing environment and business of the Bank.

- The Bank communicates and organizes training courses to educate employees of the Bank and its affiliates on legal compliance and related regulations. The communication is in the form of a short article on regular anti-bribery and corruption, sent via Compliance & Legal Management Group e-mail in the Anti-Bribery and Corruption column. This is to communicate to employees at the head office and employees working in various regions across the country, as well as personnel of the Bank's subsidiaries, and to promote knowledge and understanding and continually raise awareness of the importance of such matters throughout the year.

In this regard, the Bank and its subsidiaries stipulate an “Anti-Bribery and Corruption Policy” that has been publicly announced. Additionally, there is a policy to provide whistleblower channels for receiving misconduct information that allow everyone to report, including preventing the use of insider information and conflicts of interest. The Bank is encouraged to join the network of anti-bribery and anti-corruption, as well as providing support to other companies and business partners to announce the Anti-Bribery and Corruption Policy and join the network. Besides, the Bank was certified as a member of the Thai Private Sector Collective Action Against Corruption by the Coalition Against Corruption of the Thai Private Sector (CAC) for the third consecutive year.

(4) Whistleblowing

The Bank sets the whistleblowing policy and gives opportunities to stakeholders to report any wrongdoing through various channels. Any misconduct, including corruption, illegality, or violation of the Bank’s or regulators’ regulations respectively, by directors, executives, staff, employees, or subsidiaries’ staff can be reported through the specified channels. In this regard, the name of the whistleblower will be kept confidential and protected during the examination and after the process finishes. The whistleblowing channels are as follows:

- Chairman of the Board of Directors, E-mail: whistletruth@krungthai.com
- Whistle Blowing Team E-mail : whistle@krungthai.com
- Post: Whistle Blowing Team
The Office of the Chief Executive Officer, Krung Thai Bank PCL. 35 Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110
- Telephone: 0 2208 4120 (Monday – Friday, 08.00 – 17.00 hrs.)
- Fax: 0 2256 8778

In 2023, there were a total of 16 whistleblowing cases that were notified through different channels. They are divided into 2 cases of non-compliance with regulations and guidelines, 7 cases of no action found as whistleblowing, 1 case of fraud, and 6 cases under investigation. In all cases, the Bank proceeded according to the specified process, containing investigating the facts and considering the appropriate punishment of offenders, as well as reporting the results of each case to the relevant committees and using the information received to consider and improve the issues that are at risk correspondingly.

Nevertheless, the Bank executes the Sustainable Krungthai to enhance the Bank’s business operations in accordance with the Sustainable Business Principles, comprising environmental, social, and governance (ESG) principles, along with cultivating an organizational culture of zero tolerance. In an effort to develop employees’ desirable behaviors, which are Krungthai Core value: Integrity, Breakthrough, Efficiency, Social and Teamwork to blend into the business process in a concrete way, the Bank adheres to many principles, comprising the Code of Conduct, the prevention of conflicts of interest, corruption prevention, whistleblowing measures, and the prevention of internal use of insider information, as well as the 3 Lines of Defense process in accordance with the principles of good risk management and internal control. Meanwhile, the Bank has developed moral and ethical standards, created good values and a conscience, adhered to a good corporate governance policy, operated with integrity and honesty without violating rules or regulations, and operated business with transparency. Krungthai Bank endeavors to create a good image for the Bank as a financial institution that acquires the public trust in order to drive the Bank to achieve as the role model organization, with international standards. The Bank operates business by taking into account the utmost benefits for all stakeholders. The execution of Sustainable Krungthai Initiative through implementing the 3 principles - Foster, Prevent and Change and the inside-out blasting approach, the Bank provides the executives and employees to participate in brainstorming ideas for “a problem to solve, a good deed to do” in order to upgrade our organization’s moral and ethics standards. This is to achieve concrete results in terms of Efficiency & Productivity according to the goals in 4 areas: 1) Financial Growth; 2) Stakeholders/Regulators Confidence; 3) Transparent Process; and 4) Employees Satisfaction.

8.2 Report on the performance of the Audit Committee in the previous year

The performance of the Audit Committee is shown in Attachment 6. The meetings and attendance of the Directors in the Audit Committee are shown in Section 8.1.2 Meeting Attendance and Directors’ Remuneration.

8.3 Report on the performance of the Sub-Committees

Report of the Board of Executive Directors

The Board of Executive Directors, established by the Board of Directors, is designed to assist the Board in formulating regulations, business guidelines, and operational practices across various aspects. This is to ensure the accurate and efficient execution of the Bank's operations, preparing it to navigate risks and the dynamically changing financial environment in accordance with principles of good governance. In addition, the Board also engages in evaluating and examining corporate loans. As of December 31, 2023, the Board of Executive Directors comprises 3 Directors as follows:

1. Mr. Krairit	Euchukanonchai	Chairman of the Board of Executive Directors
2. Mr. Virasak	Sutanthavibul	Executive Director
3. Mr. Payong	Srivanich	Executive Director
Ms. Sineenard	Damri-anant	Assistant to Secretary

Throughout 2023, the Executive Board conducted a total of 38 meetings to fulfill its duties in alignment with the scopes and responsibilities outlined in the Charter of the Board of Executive Directors and reported on the operations to the Board of Directors regularly. Essential details of the overall performances as follows:

Consider the Strategic Plan/Business Plan and Budget

The Board of Executive Directors has entrusted significant priority on scrutinizing the strategic plans, business plans, annual budgets, and business operations policies within the financial business group. These plans involve collaborative efforts between the Bank and all its subsidiaries, aiming to implement a strategy that is precisely aligned and focused on fostering growth for the banking group. In addition, the Board of Executive Directors considers the Bank's financial status and capital management strategy before presenting it to the Bank's Board of Directors for review. This is to ensure alignment with the global situation that drives change in Thailand.

Monitor the Performance of the Bank and its Affiliates

The Board of Executive Directors prioritizes the consistent monitoring of the Bank's performance against established targets, indicators and benchmark banks. This includes regular assessments of the Bank's capital adequacy and reserve funds, alongside the investments in appropriate equity or debt instruments. The Board of Executive Directors also oversees the implementation of resolutions from Board of Director' meetings, including the operating results of affiliated companies, and ensures regular reporting through ongoing communication with the Management.

Delegate Policies and Provide Suggestions to the Management

The Board of Executive Directors delegated policies and provided constructive suggestions to the Management in addition to stress importance on the proactive performance so that the organization achieved its strategic objectives. Elaborate examples are as follows:

Credit and Debt Restructuring Policy

- Regarding the credit approval to customers, a cautious and prudent approach is essential. The Bank particularly mandates a comprehensive analysis of customer data and character, including all standard financial statements, documents, and reports submitted to the Bank. The consideration also takes into account the relationship in the business network, the relevant relations of the customer groups, and identification of the actual controlling person or management authority. The Bank must meticulously consider detailed information about the overall business activities and actual trading transactions, ensuring they align reasonably with industry standards and do not deviate excessively. In this regard, the credit limit should align with each customer's risk profile, corresponding to the customer's requirements and objectives, and subject to the disbursement control in order to prevent misuse of funds. The Bank will closely and regularly monitor, as well as assess, the quality and potential of customers. Besides, the Bank also monitors the policies and activities of customers with related parties in adherence to principles of proper governance, refraining from taking advantage that could impact the customers' operational results. Thus, careful consideration is imperative to ensure that these operations are conducted in a manner that safeguards the Bank's business opportunity and benefits, while also cultivating trust and a positive reputation, through effective and appropriate operational planning.
- Effective credit line management policy requires careful consideration of the appropriateness and actual needs of each debtor. The primary goal is to reduce the volume of unused credit lines, thereby minimizing unnecessary risk exposure for the Bank.
- The Bank conducts its business by adhering to the principles of Environment, Social, and Governance (ESG) in an integrated approach, emphasizing not only the improvement of its image but also broader considerations. By this means, the Bank has stipulated a concrete ESG strategy that focuses on building a strong and sustainable credit portfolio and having a strategy on the sustainability in their business operations in order to create Sustainable Profitability for the Bank. In accordance with the ESG policy, the Bank refrains from providing loans to businesses with potential negative environmental impacts.
- Credit Support Policy
 - For complex businesses that require specialized knowledge or projects with a relatively high investment structure, syndicated loans are the preferred form of credit support to diversify the Bank's risk.
 - Prioritize loan support for Operating Companies over Holding Companies. Operating companies engage in direct business activities, generating their own revenue to service debt repayments. This reduces reliance on external sources like dividends received by holding companies.

- Loan applications from individuals or companies located or invested overseas are regarded as higher risk due to the complexities associated with legislation, including the enforcement of foreign collateral. Therefore, the credit department must carefully consider all relevant information with utmost caution and thoroughness. Additionally, the business group must be one that the Bank has sufficient knowledge and expertise in.

- When providing large clean loans to private companies as long-term loans with bullet payment terms, the credit department must carefully and thoroughly verify the information and closely monitor the operations. Since this type of loan is considered high-risk, it is different from a regular term loan that requires gradual repayment of the loan, which will gradually reduce the Bank's risk as the debt is repaid.

- The Bank leverages established product program criteria to provide a standardized framework for risk assessment when granting loans to businesses, and to effectively manage its loan customer portfolio. Thus, extending credit support to all customers must adhere strictly to the Bank's operational regulations.

- In the event of receiving shares as collateral with the Bank, the credit department must explore suitable approaches and methods in line with management guidelines. Precise conditions are established to effectively manage and mitigate the Bank's risks across all dimensions. In monitoring the collateral shares, the value of the collateral against the debt balance must be tested on a daily and monthly basis to control the Bank's risk. In the case of stock collateral enforcement, although the Bank's operating procedures have already specified the process for enforcing scrippless stocks on the SET/MAI, the Bank has also emphasized the credit team to prepare internal processes to ensure that the Bank's collateral enforcement is timely, efficient, and successful.

- When considering credit for customers, it is necessary to have a clear system in place and to establish important criteria for analyzing trade receivables, trade payables, and key counterparty risks. This includes conducting market intelligence, searching for information from other financial institutions, and analyzing various information of existing customers with the Bank. This information flow can help the Bank manage risk and identify signs of potential problems.

- After the Bank provides credit support to a customer, the credit department must monitor the customer in a preventive manner. This includes monitoring early warning signs about the quality of the customer's loan, tracking and reviewing the customer's financial statements, business plan, and credit rating at least once a year, or when there are risk factors that may impact the customer's ability to repay the loan. It is essential to ensure that the assessment of the value of collateral and insurance is precise and consistently updated. Additionally, there is an Early Warning system to help monitor credit utilization and customer quality consistently and quickly. The system also determines the customer credit review period based on the credit quality of each customer.

- Analyze the problems relating to Non-Performing Loans (NPLs) and pursue methods to solve NPL problems by focusing on the effectiveness of debt collection and measures to prevent NPLs. Furthermore, the credit process improvement must be manipulated to be more concise.

- The Bank stipulates the policy on setting conditions for the use of Excess Cash Flow to repay debt (Cash Sweep) in cases where the debtor requests an extension of the payment period, a postponement of the payment, or a debt restructuring. In particular, when the debtor requests an extension of the repayment period or a postponement of repayment, the Bank will be exposed to increased risk due to the delayed receipt of payments. Accordingly, the Bank has implemented this policy, which the credit department must strictly adhere to, aiming to mitigate the Bank's risk and prevent debtors from utilizing excess liquidity for alternative purposes.

- In the event of debt restructuring with established late penalties (Late Charges), the Bank maintains the discretionary authority to decide whether to waive such charges for individual debtors. Besides assessing the debtor's ability to comply with the conditions of the debt restructuring contract, other relevant matters must also be taken into consideration, for example, the debtor's credit history and cooperation, honesty and integrity, and business intention.

- Policy related to the approval of the NPA asset sales or price competitions requires meticulous evaluation of potential limitations and obstacles. Failure to do so could result in asset depreciation or missed opportunities for optimal sale prices. If the limitation or obstacle falls within the Bank's capacity to rectify, it must be addressed and resolved before seeking approval to sell NPA assets or arranging a price competition.

Innovation and Digitalization Policy

- The Leverage Digital and Data to Drive Efficiency policy involves deploying cutting-edge systems and technologies to optimize management practices across all facets of the Bank's operations, ultimately leading to streamlined and efficient processes from beginning to end. In particular, the Bank is enhancing its operational processes through digitalization, incorporating Robotic Process Automation (RPA) and AI to boost efficiency throughout the organization. This will make the work processes faster and more accurate, reduce costs and repetitive work, and reduce errors. It will also enable more accurate and efficient auditing of work.

- The Accelerating Sustainable Value Creation policy drives responsible business practices, while integrating environmental, social, and governance (ESG) principles throughout operations. This focus on sustainability fosters growth and unlocks new income streams for the Bank from its existing business, affiliated companies, and other platforms i.e. Krungthai Next, Pao Tang, Thung Ngern, Krungthai Business, etc. To achieve sustainable growth, the Bank is required to prioritize and accelerate the integration of key transformations, including incorporating ESG framework and cyber risk into its risk management system, and establishing a robust and efficient core banking system with a strong cloud architecture. Furthermore, the Bank will also modify the Data Architecture to expedite the development of process digitalization, encompassing the creation of new ventures in Virtual Banking, Wealth Tech, and Banking as a Service. This strategic move is intended to support all aspects of the Bank's operations, while fostering steady growth towards sustainable banking.

- Provide a clear and comprehensive digital development policy on Digital Banking that incorporates various innovations, such as establishing Infinitas by Krungthai Co., Ltd. and joining Accenture to set up a joint venture company, Arise by INFINITAS Co., Ltd. to seek for digital talents to support its digital businesses. This comprises enhancing the stability and security of the Bank's information technology system to accommodate upcoming and growing transactions. Furthermore, there is a focus on developing employees' multi-tasking skills, enabling them to perform various tasks and be prepared for the transition to complete Invisible Banking in the near future.
- Leveraging technology and information technology systems has become the key driver of business growth. Despite existing measures, further preparation is crucial to mitigate cyber threats. Robust and comprehensive security protocols, coupled with proactive incident response plans, are essential for addressing all potential scenarios. Moreover, it is essential to create a regulatory framework and implement risk management across personnel, processes, and tools to minimize the impact on customers and uphold the Bank's reputation.

Organization Management Policy

- The policy on driving Bank sustainability as an organizational culture is centered on fostering the long-term sustainable growth of both business and society. This entails conducting business with a sense of responsibility towards the environment, society, and adhering to principles of good governance (ESG). This approach not only acts as a motivation for sustainable development across various parties, but also proactively addresses potential risks to the financial system and the Bank. This includes seamlessly integrating sustainability into its core business processes. Nevertheless, it is crucial for all Bank employees to share a common understanding that ESG is essential to business operations. This includes emphasizing Market Conduct and ensuring fairness to customers and stakeholders. To uphold the Bank's values, all personnel must be equipped with qualifications in good governance and integrity. Additionally, they must refrain from any conflicts of interest and display a steadfast commitment to serving the Bank's goals. Meanwhile, the support from top executives as Tone from the Top is to ensure that lending is responsible to stakeholders both inside and outside the organization. This policy also includes providing environmentally friendly loans and embracing ESG principle, grouping businesses that are environmentally friendly and taking care of customers in situations according to the policies stipulated by the Bank of Thailand. The Bank also transparently discloses information to the public to communicate its dedication to improving ESG operations. This encompasses the use of contemporary digital technologies in diverse transactions, ensuring no adverse environmental impacts occur.
- Operational policies in various fields must adhere to the principles of Data Governance and Personal Data Protection Act (PDPA). The Bank is required to prepare practical guidelines, manage work systems and tools to protect the Bank's important data, and communicate to employees so that they have knowledge and understanding regarding the standardized management process in line with the Personal Data Protection Act (PDPA). The main purpose is to reduce the risk of infringement on the use of personal information.
- Incorporating agility as the new working policy, the Bank prioritizes flexible and fast-paced operations. Embracing the "Fail Fast Learn Fast" principle, the Bank invests in upskilling and reskilling its employees, particularly in digital literacy, to propel business growth and deliver exceptional customer experiences. This aims to foster customer satisfaction and position the Bank as their primary financial partner. The Bank also strives to attract and retain top talents who will drive the Bank's future success, as well as aspiring to be a model organization.
- The Bank is implementing a policy that fosters a collaborative work culture, encouraging seamless coordination and communication among diverse departments within the organization. This entails establishing a communication mechanism covering all aspects, ensuring relevant information, including customer incidents, is promptly reported to the relevant parties within the Bank. Cross-departmental collaboration and cooperation are crucial to eliminate Silo work environments and create a seamless flow of work that encompasses the entire loop of all related entities within the Bank. This fosters unity and cultivates the One Krungthai mindset, which supports the sustainable operations of the Bank.
- Formulate learning activities from Lesson Learned incidents by means of taking the format/characteristics of the damage cases or defects arising from operations as a lesson. By means of lecturing via classroom or creating a video to communicate to employees throughout the Bank, the employees shall have a chance to study and understand the lessons, as well as be able to acquire knowledge to improve and develop themselves effectively.
- Accentuate the Zero Tolerance Policy against non-compliance and fraud to be instilled as the DNA of all employees in doing business with honesty and transparency. Communicate to all employees to realize, aware, and understand the policy, in addition to the operational and employee disciplinary guidelines, which they are obliged to strictly observe and comply with. There is surveillance and prevention of corruption in their business units. To be precise, all employees are required to uphold a zero-tolerance policy towards any form of corruption and must not permit others to engage in corrupt activities. Through the 3 Lines of Defenses mechanism, the employees are expected to conduct their work with transparency, accuracy, fairness, and credibility. In this regard, they are equipped and well-prepared to confront various risks, encompassing Credit, Operational, Reputational, and Cyber Risks, with the aim of cultivating public trust among stakeholders.



(Mr. Krairit Euchukanonchai)

Chairman of the Board of Executive Directors

Report of the Independent Director Committee

The Board of Directors has emphasized the significance of the roles and responsibilities of Independent Directors as a vital component essential for providing adequate checks and balances within the framework and management of the Board. As of 31st December 2023, the Board Structure consists of 10 Directors, including 1 Executive Director and 9 Non-Executive Directors. Within the Non-Executive Directors category, 5 members are Independent Directors, constituting 50% of the total number of Directors. As a result, this has resulted in the ratio of Independent Directors of the Bank surpassing the stipulated requirement by the Securities and Exchange Commission (SEC), which mandates that a minimum of one-third (33.33%) of the Board of Directors should comprise Independent Directors, and there must be no fewer than 3 Independent Directors. Hence, every Independent Director is competent to express opinions freely, whether they involve disagreements or encompass other observations relevant to the agenda items scheduled for discussion during Board of Directors meetings. This is done with the aim of safeguarding the rights of shareholders and other stakeholders, while also actively contributing to the promotion of good corporate governance within the Bank. In this regard, the Board of Directors has enhanced the duty and performance of the Independent Directors to work in a panel similar to other Bank's Committees. Therefore, one Independent Director had been appointed as the Chairman of the Independent Director Committee and the Independent Director Committee Charter was established with the purpose to specify the Directors' qualifications, term of office, including their roles and responsibilities and the Committee meeting. The Independent Director Committee, whose members are Independent Directors from the Board of Directors, has actively engaged in reviewing the agenda for the upcoming Board meetings in advance. The Independent Directors are able to express their opinions or suggestions on meeting agendas to the Chairman of the Board of Directors independently in the event that there is an important matter or issue that the Board of Directors should consider and has not yet been included in the meeting agenda. Accordingly, the Independent Director Committee agreed to conduct and disclose the report of the Independent Director Committee annually in the Annual Report of the Bank starting from 2018 onwards.

The Independent Director Committee defined the scope of items to be presented on the Committee meeting agenda as follows:

- Duties of the Independent Director Committee in administering and facilitating the minor shareholders.
- Providing suggestions and recommendations to the Management in an attempt to generate balance between the management, internal control and the compliance with laws, regulations and good corporate governance.
- Monitoring complaints relating to the Bank, particularly on the matters that affect the Management or Authorized Directors, either on the problematic issues or issues involving the unbalance between the emphasis on business operation and the lack of measures in compliance or good internal control.
- Addressing matters that involve all stakeholders.

As at 31st December 2023, the members of the Independent Director Committee are as follows:

1) Mr. Virasak	Sutanthavibul	Chairman
2) Mr. Thanwa	Laohasiriwong	Independent Director
3) Mr. Vichai	Assarasakorn	Independent Director
4) Mr. Teerapong	Wongsiwawilas	Independent Director
5) Miss Jiraphon	Kawswat	Independent Director
Miss Sineenard	Damri-anant	Assistant Secretary

In 2023, the Independent Director Committee conducted 5 meetings and provided quarterly reports of the meeting minutes to the Board of Directors. The essential details regarding the performance, observations, and recommendations of the Independent Director Committee are outlined as follows:

1. Acknowledged the report on the results of the shareholders' satisfaction survey towards the 30th Annual General Meeting of Shareholders (2023) and offered recommendations. Specifically, the Committee provides guidance that functions as a practical roadmap for improvement and fostering the development of various operations within the Bank. This approach is aimed at shaping mutual benefits for all stakeholders in an appropriate manner.

2. The Independent Director Committee offered recommendations and advice concerning the overall performance of the Bank in terms of supervising and managing affiliated companies. The Committee emphasizes the importance of instituting a transparent process, exercising close managerial oversight, and regularly monitoring and reporting performance results to the Bank. These measures are vital for effectively safeguarding the interests of the Bank's shareholders.

3. As stated by the role and responsibility of each Independent Director who is assigned to perform duties in the sub-committees, in the event that any important matters from the sub-committee or significant policies are required to be communicated, the Independent Director can raise such matters in the Committee meeting in order to discuss, exchange opinions and consider together as deemed appropriate. The meeting advised that the observation and recommendation of Independent Directors on various issues from the sub-committees meeting should be added as agenda for consideration in the Independent Director Committee meeting.

4. The Independent Director Committee has prearranged its meeting schedule for the year 2024 to occur quarterly on the fourth Wednesday of March, June, September, and December. In case that the Independent Director has any urgent or extraordinary agenda to consider under the duties of the Independent Director Committee, the additional meeting shall be held apart from ordinary schedule. However, in case it is necessary to change the meeting schedule, the appropriate discussion shall be held and all Independent Directors shall be informed on a case-by-case basis.

5. The Independent Director Committee presented suggestions and recommendations to serve as guidelines and support for the Bank's policy to transition the Annual General Meeting of Shareholders to an electronic format (e-AGM). In addition, the Committee also delegates a policy emphasizing careful adherence to legal requirements and various criteria, as well as committing to upholding principles of good corporate governance. This commitment extends to ensuring equitable treatment of shareholders, maintaining transparency, and disclosing information appropriately.

6. The Independent Director Committee provided suggestions and recommendations to serve as guidance to expedite the implementation of the Bank's policies. These proposals strive to proactively elevate diverse operational aspects, enabling the Bank to align its business activities with Environmental, Social, and Governance (ESG) principles, thereby ensuring the sustainability of its operations.

7. The Independent Director Committee has agreed to present the profiles of all Independent Directors who have not fulfilled their term of office for consideration as proxies at the 31st Annual General Meeting of Shareholders (2024). Consequently, the Committee has endorsed the nomination of 3 Independent Directors to act as proxies on behalf of the shareholders.

8. The Independent Director Committee underwent a performance evaluation in 2023, which included two types of assessments - the Committee evaluation (group evaluation) and the individual evaluation of Directors (self-evaluation). The results of both evaluations in 2023 reflected an overall assessment at the Excellent level. As a result, the evaluation report will be presented to the Board of Directors for their respective acknowledgment.



(Mr. Virasak Sutanthavibul)

Chairman of the Independent Director Committee

Report of the Corporate Governance and Sustainability Committee for the year 2023

Krungthai Bank places paramount emphasis on robust corporate governance, guided by a commitment to fostering ethical conduct and integrity among its directors, executives, and employees. The Bank is dedicated to conducting its business responsibly, taking into account the interests of all stakeholders, including shareholders, employees, customers, business partners, investors, government agencies, competitors, as well as society, the environment, and the overall economic system. This commitment is aimed at fostering the sustainable development of the Bank.

This commitment extends beyond adhering to corporate governance and sustainability policies in day-to-day operations. The Bank is resolute in respecting the rights of stakeholders and engaging in activities that benefit society and the environment. The Bank follows operating frameworks and main strategies that reflect the ideas and directions set by the Corporate Governance and Sustainability Committee to create opportunities for the public to access finance and improve their financial literacy. This commitment seeks to fortify the country's economic resilience, reduce social inequality, and contribute significantly to the nation's well-being in terms of the economy, society, and environment.

In 2023, the Bank renamed the Corporate Governance and Social Responsibility Committee to the Corporate Governance and Sustainability Committee. As of December 31, 2023, the Committee comprises four non-executive directors, namely Prof. (special) Dr. Kittipong Kittayarak (Chairman of the Corporate Governance and Sustainability Committee), Mr. Vichai Assarasakorn (Director), Ms. Jiraphon Kawswat (Director), and Mr. Attapol Attaworadej (Director). This report details the performance of the Corporate Governance and Sustainability Committee in 2023, and the Committee held 13 meetings to set directions and monitor the progress of the Bank's corporate governance and sustainability.

Key Corporate Governance and Sustainability Initiatives in 2023

1. **Sustainable Krungthai:** The Bank continues to further pursue robust corporate governance with an enhanced effort to instill a corporate culture that maintains a zero-tolerance policy towards corruption, fostering ethical standards and values, and a steadfast commitment to good governance. Employees, underpinned by this culture, work with integrity, strictly observe rules and regulations, and maintain transparency as well as accountability. The Bank has adopted the design thinking principle and objective and key results (OKR) framework to facilitate clear and effective tracking and measurement of the initiatives' outcomes. Furthermore, there is a dedicated focus on improving services and customer experience, promoting compliance with market conduct standards, and enhancing customer engagement. The Bank utilizes ONE Krungthai application as a tool for facilitating initiatives and activities, such as WE CARE, director and executive communication, and projects aimed at reducing market conduct and non-market conduct complaints.

2. **Krungthai Go Local, Grow Local Projects:** Krungthai Bank is a financial institution that stands beside the Thai people of all ages, with a commitment to supporting the country's sustainable development and empowering the people. In addition to providing financial services that improve their quality of life, the Bank has various projects that promote environmental development and stable, income-generating careers. Moreover, the Bank seeks to promote financial literacy among people in local communities, who are an essential part of the grassroots economy impacting the country's overall economy. These financial literacy programs aim to provide people with a better understanding and knowledge of financial management, as well as enhanced finance-related skills and potential crucial for their being self-reliant. These projects are based on the Bank's creating shared value (CSV) framework.

3. **Financial Literacy Development Programs:** These programs encourage participants' engagement, focus on raising awareness of the importance of financial management, and promote good financial practices, such as budgeting, saving, and debt management, through hands-on activities. The participants include the youth in projects like Krungthai Loves Smart University and Krungthai x Saturday Schools and local communities through Go Local, Grow Local, and Bajrasudha Kajanurak projects.

Environmental, social, and governance (ESG) initiatives are considered crucial for sustainable development and contribute to the Bank's steady growth and the improved well-being of the Thai people. This enables the Bank to play a vital role in the Thai economy and the continued development of the country.



Prof. (special) Dr. Kittipong Kittayarak
Chairman of the the Corporate Governance
and Sustainability Committee

Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises 3 Directors, including 2 Independent Directors and 1 Non-Executive Director, aimed at bolstering the functioning of the Board of Directors. The two Independent Directors are Mr. Thanwa Laohasiriwong, the Chairman of the Nomination and Remuneration Committee and Mr. Teerapong Wongsawilas, whereas the Non-Executive Director is Mr. Lavaron Sangsnit. At the Board of Directors meeting on 11st October 2023, Mr. Lavaron was appointed Chairman of the Bank's Board. In consequence, Mr. Lavaron communicated his intention to resign from the position of Director in the Nomination and Remuneration Committee, effective on 11st October 2023. In this regard, the Bank has commenced the process of recruiting qualified individuals to be appointed as Directors on the Nomination and Remuneration Committee.

Throughout 2023, the Nomination and Remuneration Committee fulfilled its responsibilities with meticulous attention to prudent judgment, integrity and ensuring strict adherence to its Charter. This diligent approach obviously served the best interests of both the Bank and its stakeholders. Furthermore, the Committee precisely examined and provided insightful recommendations on critical issues prior to presenting proposals to the Board of Directors. Thus, the Committee has convened a total of 18 meetings. Important details are outlined as follows.

1. Reviewed and determined policies, criteria and procedures regarding the nomination of the Directors, Top Executives and Management Authorities of the Bank by adhering to the principles of good corporate governance and aiming to create long-term value for the organization. The objective is to formulate a reference guideline for recruiting candidates with suitable qualifications, devoid of prohibited characteristics as per regulations stipulated by the regulatory agency, and in alignment with the vision and business strategy of the Bank.
2. Considered a comprehensive recruitment and nomination process to identify qualified individuals for appointment as Directors, aiming to ensure the Board of Directors possesses an optimal size and composition aligned with the organization's needs. This process prioritized diversity and emphasized the ability to perform duties efficiently. All candidates considered for appointment as Directors, regardless of their source, must demonstrate qualifications that meet the stringent requirements outlined in relevant laws and regulations, the Bank's internal rules, and good corporate governance principles. To mitigate potential conflicts of interest, the Committee shall conduct a thorough review of each candidate's background and performance history, spanning from the past to present, together with the information from the Director Pool database. To ensure alignment with the Bank's evolving missions, strategies, and focus on sustainable development, the Committee prioritizes the recruitment of Directors possessing specific knowledge and expertise as outlined in the predetermined Skill Matrix. Furthermore, the Committee encourages and highlights the nomination of Directors to reflect the diversity of the Bank's stakeholders and the broader community. This includes diversity in terms of gender, religion, culture, nationality, ethnicity, age, educational background, experience, performance, skills, and knowledge, while adhering to relevant legislation and social context. Consequently, this enables the Board of Directors to have diversity in initiating different opinions and perspectives, which will benefit all stakeholders and promote sustainable growth.
3. Considered and nominated the Bank's Directors to hold positions in Sub-Committees based on their qualifications as outlined in the Charter of each respective Sub-Committee. This directorship appointment is designed to bolster the Board of Directors' performance in fulfilling their duties and responsibilities. It will also enhance their ability to comprehensively monitor and supervise operations, ensuring alignment with established policies, strategies, and good governance principles.
4. Considered recruiting and nominating persons to be appointed and rotated to the position of Top Executives and Management Authorities of the Bank. Candidates will be assessed based on their demonstrably relevant knowledge, educational background, competence, leadership experience, and proficiency in the specific position. Additionally, the Committee will prioritize candidates who exhibit strong decision-making skills, a strategic vision aligned with the Bank's objectives, and a commitment to the Bank's success. The Committee also promotes and places emphasis on the rotation of Executives across diverse Groups. This initiative aims to cultivate their potential, refine their skill sets, and foster self-development through exposure to new experiences and varied fields of operation. Ultimately, this enhances the Bank's overall business performance and fosters efficient management practices. After the selection, the Committee proposed the qualified candidates to the Board of Directors for approval and/or seek approval from the relevant regulatory agencies.

5. Considered and approved the succession plan and management process of the Top Executives of the Bank. This encompasses the review of the succession plan to guarantee the continuity of management, a practice that proves beneficial to the Bank's business operations and efficient management.
6. Considered the criteria and established guidelines for the performance assessment of the Bank's Directors, Sub-Committee Directors, the Chief Executive Officer, and the Management Authorities of the Bank. The purpose is to comply with good corporate governance principles and provide a notable reflection of the Directors' performance.
7. Established the criteria and assessed the remuneration of the Bank's Directors and Sub-Committee Directors in accordance with the rules and relevant regulations. Subsequently, presented the proposal for approval to the Board of Directors and shareholders during the Annual Ordinary General Meeting. The remuneration of Directors shall be corresponding to their assigned duties and responsibilities, the Bank's performance, the overall economic conditions, including the regulations and requirements of the regulatory agencies and the compliance with good corporate governance principles. In this regard, the Committee shall consider the criteria and the remuneration of the Directors of the Bank's subsidiaries to be corresponding to the Bank's policy, Directors' remuneration as well as being appropriate and corresponding to the assigned duties and responsibilities.
8. Determined the criteria and considered the remuneration of the Top Executives and Management Authorities of the Bank before proposing to the Board of Directors for approval. The remuneration has been determined in consideration of the individual's duties and performance, the Bank's performance, the overall economic conditions, the comparison with benchmarking banks as well as the compliance with good corporate governance principles.
9. Considered and provided recommendations as guidelines for the human resources management with the purpose to acquire the greater effectiveness and corresponding to the changing business environment, which generates the utmost benefit to the Bank's business. Details are as follows:
 - 9.1 Reorganization of administrative structure and position structure of Top Executives.
 - 9.2 Revision of HR-related work regulations to align appropriately and consistently with the evolving current situation.
 - 9.3 Recommendation on guidelines and strategies for human resource management of the Bank to meet the long-term directions of the business under various challenges, such as the impact and role of AI on the HR industry in the future, the Krungthai Transformative Leadership project, and the sustainability plan. This is to foster the growth of employee knowledge and contribute to the advancement of Krungthai Bank's Digital Banking strategy, as well as the working styles and the working atmosphere for its employees. This involves integrating knowledge management into operational practices and overseeing comprehensive personnel compensation management information.

In addition, the Bank's Annual Report transparently discloses the policies and details relating to the recruitment process, as well as comprehensive information on the remuneration policy, all forms of remuneration provided, and the annual remuneration report.



(Mr. Thanwa Laohasiriwong)

Chairman of the Nomination and Remuneration Committee

Report of the Risk Oversight Committee

The Risk Oversight Committee comprises five key members: four Bank Directors and the Chief Executive Officer. The role of secretary is entrusted to the Chief Risk Officer.

The Risk Oversight Committee fulfills its duties in accordance with the responsibilities outlined in the Risk Oversight Committee Charter delegated by the Board of Directors. Throughout 2023, the Committee convened 12 meetings and provided performance reports to both the Audit Committee and the Board of Directors on a quarterly basis.

The Risk Oversight Committee underscores the importance of supervision in accordance with guidelines set forth by regulatory agencies and international best practices, including the COSO Framework. This includes managing the Bank's overall risk levels to remain within acceptable thresholds and ensuring that capital is maintained at a level commensurate with the demands of business operations, both in normal situations and stress events. Details are summarized as follows:

1. Review the risk management policies to ensure comprehensive coverage of various risk types, including strategic risk, credit risk, market risk, liquidity risk, operational risk, compliance risk, reputation risk, IT risk, cyber risk and other significant risks, such as those associated with the Personal Data Protection Act (PDPA) and Market Conduct. This is to ensure that the risk management policies are up-to-date and in line with the Bank of Thailand's notifications and international guidelines.
2. Establish the enterprise risk management framework, which comprises key risk indicators, risk appetite, and risk tolerance. Develop a risk management dashboard, taking into consideration alignment with the Bank's strategic objectives and compliance with Basel Framework.
3. Oversee risk management to ensure alignment with specified policies and those related to corrective action. This involves scrutinizing performance reports for all risks and closely monitoring risks stemming from economic, financial, and banking conditions, competition, and changes in official rules and regulations. Subsequently, assess the impacts and conduct stress tests to evaluate the Bank's stability.
4. Provide suggestions for establishing directives aimed at advancing the Bank's commitment to sustainable banking within the Environmental, Social, and Governance (ESG) framework. This includes, but is not limited to, reviewing responsible lending policies and guidelines, and formulating policies and strategies to reduce carbon emissions in accordance with international standards.
5. Provide opinions on improving the overall credit process, particularly on defining appropriate authority levels for credit approval and ensuring checks and balances. Additionally, the Committee gives recommendations on enhancing the credit portfolio management process to mitigate risks and reduce non-performing loans (NPLs), while closely monitoring the Bank's credit and NPL portfolios.
6. Monitor and support the development and improvement of credit tools and models, such as credit risk rating models, credit scoring models, and expected credit loss (ECL) models.
7. Screen and provide feedback on the strategic plans and key initiatives of the Bank to ensure that all potential risks inherent in the strategic plans and key initiatives have been comprehensively considered.
8. Monitor and provide support for the 2023 KTB Digital Roadmap to ensure alignment with the Bank's overarching strategic and business plans, with a focus on enhancing business capabilities and developing IT infrastructure systems to continuously meet customer needs efficiently and effectively. Employ suitable technologies to enhance competitiveness and expand into new businesses, particularly those related to digital platforms. Procure and develop robust cybersecurity systems to withstand emerging threats.
9. Prioritize oversight of information technology risks to ensure compliance with the Bank of Thailand's (BOT) three frameworks: (1) Confidentiality to ensure systems and data security; (2) Integrity to maintain validity and reliability of work systems and data; and (3) Availability to ensure readiness and continuous availability of work systems, monitoring and tracking the system closely to ensure uninterrupted services to customers. These frameworks are also considered important policies of the Bank.

10. Thoroughly oversee and monitor the implementation following orders, observations, and assessments the BOT and other regulatory agencies, including the Anti-Money Laundering Office (AMLO) and the Office of the Securities and Exchange Commission (SEC), while expediting actions and setting clear timelines.
11. Formulate risk management policy and oversee risk management within the financial business group, to ensure compliance with the BOT's guidelines for consolidated supervision. Control, monitor, and assess risks within the financial business group effectively to maintain them at acceptable levels.
12. Consistently monitor risk management plans associated with significant external events to ensure the Bank's uninterrupted business operations. Assess economic factors that affect the Bank, such as regional conflicts, supply chain disruptions, and rising inflation and interest rates, in order to maintain the Bank's risks within acceptable levels of risk appetite. Details are as follows:
 - 12.1 Evaluate the Bank's financial position and capital trends following the impact of these factors to effectively manage the Bank's capital adequacy and maintain it at an appropriate level.
 - 12.2 Observe government measures and policies that provide assistance schemes to the public so that the Bank can devise measures to aid both the public and the Bank's customers that are consistent with the government's measures and policies.
 - 12.3 Monitor and provide suggestions concerning customer categorization based on their business performance and debt servicing capacity. This enables the Bank to effectively monitor, and utilize data for managing the Bank's credit portfolios, capital, and financial statements.



(Mr. Krairit Euchukanonchai)

Chairman of the Risk Oversight Committee

Report of the Compliance Committee

The Compliance Committee of Krungthai Bank PCL is constituted by four (4) Independent Directors of recognized competence, with the Chief Legal Compliance & Financial Crime Officer and Sector Head of Compliance and Procedures Sector appointed to the roles of Secretary and Assistant Secretary, respectively.

The Compliance Committee carries out its responsibilities as defined in the Compliance Committee Charter, approved by the Board of Directors. In 2023, the Compliance Committee convened a total of 13 meetings, consisting of 12 ordinary meetings and 1 extraordinary meeting. On a quarterly basis, the Committee provided the Board of Directors with comprehensive meeting summaries in the form of detailed minutes. The significant accomplishments are outlined as follows:

1. The Compliance with Bank's Regulations

1.1 Policy Compliance

(1) Review the Compliance Policy, the Compliance Committee Charter, and the Compliance Unit Charter

The Committee reviewed the suitability of the policy and charter's contents, intending to establish them as a framework for the implementation of related matters. This aligns with the Bank of Thailand's Notification No. FPG. 5/2566 Re: Compliance of Financial Institutions and Financial Business Groups and adheres to the guidelines of the Basel Committee on Banking Supervision concerning Compliance and the Compliance Function in Banks. The Committee also verified the clarity and coherence of charters and policies, ensuring alignment with the ongoing reorganization of the Bank's current organizational structure. The Board of Directors delegated authority for policy review to the Committee, which approved a review of the compliance policy. The Committee further resolved to submit proposed revisions to the charters of both the Compliance Committee Charter and the Compliance Unit Charter to the Board of Directors for their approval and consideration. Following a thorough review, the Board of Directors granted its approval to the revised Charters.

(2) Review the Anti-Money Laundering Policy and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Policy (AML/CTPF) of the year 2023

The Committee considered the appropriateness of revising the contents of the Policy to be in accordance with the specified law, along with covering and corresponding to the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Act and the relevant BOT's Notifications. The content remains unchanged due to the unchanged AMLO's AML/CTPF regulations and relevant BOT's Notifications. Consequently, the Committee agreed to propose the policy review to the Board of Directors for approval. And, the Board of Directors granted its approval to the revised Charters.

(3) Review the Data Governance Policy

The Committee considered the appropriateness of revising the contents of the Policy to align with the BOT's Data Governance Policy. Accordingly, the Committee agreed to propose the policy review to Board of Directors for approval, the Board of Directors promptly granted their approval.

1.2 Consideration, Review, and Follow-up

(1) Consider the Annual Compliance Report 2023 and the Corporate Governance Report 2023

The Committee considered and approved the Annual Compliance Report 2023 before submitting it to the Bank of Thailand, also, considered and approved the Corporate Governance Report 2023 before submitting it to the Securities and Exchange Commission, Thailand, and Thai Bond Market Association.

(2) Review and monitor the implementation of the Compliance Program for the year 2023

The Committee reviewed the report and continuously followed up on the implementation of the Compliance Program for the year 2023. The purpose is to acknowledge the action and the improvement or addition to the Compliance Program during the year in order to be consistent with the situation and compliance risks according to transactions and/or important rules that have been updated during the year. This involves offering recommendations for enhancing the implementation of the plan to achieve greater efficiency in terms of (1) Preventive Program (Regulatory Change Management, Advisory, Communication, Training) and (2) Compliance Monitoring and Testing. In this regard, the performance reports shall be monitored on a quarterly basis.

(3) Consider the Compliance Program for the year 2024

The Committee has approved the Compliance Program for the year 2024. The Compliance and Procedures Sector has formulated the Program to be consistent with the compliance risk level of the Bank in 2023, including other factors such as strategies, business trends, and Key Regulators' focus in 2024, etc. The purpose is to be in line with the Bank of Thailand's Notification No. FPG. 5/2566 Re: Compliance of Financial Institutions and Financial Business Groups, the Bank's Compliance Policy, and the Compliance Unit Charter.

(4) Review and monitor reports on the Key Risk Indicator & Compliance Risk Dashboard

The Committee has continually reviewed the reports and monitored the Key Risk Indicator (KRI) and Compliance Risk Dashboard in order to be informed of changes to the KRI and compliance risk dashboard based on major transactions and/or important regulations occurring to the Bank. Suggestions were put forward for the development of work plans aimed at preventing or managing diverse risks. Moreover, it was advised that presenting these plans in a dashboard format would enhance comprehension and offer valuable insights to the Bank. In particular, the reports shall be conducted on a monthly basis and with corresponding suggestions informed to the report organizers to facilitate noticeable improvements and resolutions to various risk issues.

(5) Follow up the regulatory compliance report of the financial business group

The Committee reviewed regulatory compliance reports of companies within the Bank's financial business group throughout 2023, focusing on the Quarterly Compliance Monitoring Report. As overseers of the financial business group, the Compliance Group, acting as the parent company, ensures comprehensive operations in key areas set by the Bank of Thailand. These areas include business structure, risk management, fund adequacy, and report tracking. Compliance practices involve preventive measures, including offering guidance on financial regulations to internal bank units and affiliated companies, enforcing communication of essential criteria related to the financial business group by the supervising unit, facilitating communication to enhance understanding of key regulations within the bank and its affiliated companies, Organizing Group Discussion meetings between the bank's and financial business group's compliance units to exchange perspectives on compliance practices, assess business operation boundaries, explore opportunities for future business expansion, address challenges in regulatory alignment, and discuss other pertinent issues, monitoring and verifying compliance with financial business group regulations, covering critical issues that the bank's financial business group must adhere to, tracking compliance practices of companies within the financial business group through quarterly Compliance Reports. The Committee has been informed of the progress in overseeing compliance with financial business group regulations of the bank as the parent company, addressing issues and challenges, and providing suggestions for improvement. The Committee's observations and recommendations are valuable to the team in addressing and resolving future compliance issues within the financial business group.

(6) Monitor the progress of the review report on branch product offerings for the year 2023, as well as the operation plan for the review report for the year 2024

The Committee has followed up and acknowledged the progress of the review report on the product offering of the branches in 2023 through the Mystery Shopping approach by outsourcing officers. For the year 2024, the Committee has recommended implementing the suggestions provided in the 2023 comparative bank's product presentation examination report.

(7) Follow up the findings from the summary report of the Internal Audit Group

The Committee conducted regular reviews of the report and monitored the Internal Audit Group's findings on a quarterly basis. Besides, the relevant recommendations have been offered to address the identified misconduct, aiming to prevent recurring offenses and minimize potential damages to the Bank.

(8) Monitor the compliance-related issues

The Committee has monitored compliance-related issues to provide recommendations on actions in conforming with the regulations of the Bank of Thailand and other external regulators. Such related matters include the progress related to laws and regulations concerning technology crimes, a summary of reported issues related to products and services, a request for a license for digital identity verification and authentication services, operational guidelines in alignment with the direction of sustainable environmental development of Thai financial institutions, business and capital increase plan for the Vientiane Branch, the notification of engaging in digital platform service business to the Electronic Transactions Development Agency (ETDA), and the draft guidelines for Responsible lending, etc.

2. Supervision the regulation compliance of the overseas branches of the Bank

2.1 Policy Compliance

(1) Review the AML/CFT Policy and Internal Controls and Procedures for Phnom Penh Branch and Siem Reap Province Sub-Branch for the year 2023

The Committee has considered the appropriateness of the contents of the 2023 AML/CFT Policy review. The core content of the AML/CFT Policy remains unchanged. The Committee approves forwarding it to the bank's board for consideration and approval, ensuring alignment with AML/CFT regulations in Cambodia. This approval extends to the Phnom Penh branch and sub-branches in Siem Reap to adhere to the practices in the year 2024. The bank's board has already reviewed and approved

the AML/CFT Internal Controls and Procedures, which have been submitted to the local regulatory body, the Cambodia Financial Intelligence Unit (CAFIU), in accordance with CAFIU standards.

(2) Consider the AML/CFT Policy for the year 2023 and the AML/CFT Procedure for the year 2023 of the Vientiane Branch.

The Committee considered the appropriateness of the content of the 2023 AML/CFT policy and AML/CFT Procedure which has been developed and endorsed by the local legal consulting firm, referencing the AML/CFT regulations of the head office, to ensure compliance for the Vientiane branch in the year 2024. In this regard, the Committee has proposed this policy to the Board of Directors for consideration and approval, aligning them with the standards of the local regulatory body (Anti-Money Laundering Intelligence Office, AMLIO) in Laos. The Board of Directors has reviewed and approved these documents, which have been submitted to the local regulatory body, the AMLIO.

2.2 Consideration, Review and Follow-up

(1) Consider the appointment of the Compliance Officer for the Phnom Penh Branch and Siem Reap Province Sub-Branch

The Committee reached a consensus on recommending to the Board of Directors the appointment of a Compliance Officer to oversee the operations of both the Phnom Penh Branch and Siem Reap Province Sub-Branch to operate in compliance with the regulations of the Cambodian Regulatory Authority (NBC and CAFIU). The appointment has already been approved by NBC and CAFIU.

(2) Review and follow up the compliance report of the Bank's overseas branches

The Committee reviewed and monitored the compliance report of 7 overseas branches and 1 overseas representative office every quarter. The objective is to acknowledge the crucial changes in regulations and prevent non-compliance with Thai and foreign official regulations, thereby avoiding any illegal activities or potential fines imposed by authorized regulators. The Committee also took into account the direction of foreign branch supervision for special or urgent consideration in an attempt to elevate the compliance ground and achieve the utmost efficiency.

(3) Acknowledge the AML/CFT Performance Report of the Phnom Penh Branch and Siem Reap Province Sub-Branch

The Committee acknowledged the AML/CFT 2023 Performance Report of the Phnom Penh Branch and Siem Reap Province Sub-Branch. The branch's Compliance Officer conducts this report quarterly and aligns with the guidelines specified in the Anti-Money Laundering and Counter Financing of Terrorism Internal Control and Procedures for the Phnom Penh Branch and Siem Reap Province Sub-Branch. Also, the Committee has provided insights and recommendations that are beneficial for enhancing the effectiveness of overseeing compliance with standards.

(4) Consider the Annual Compliance Plan for the years 2023 and 2024 for the Phnom Penh Branch and Siem Reap Province Sub-Branch

In February 2023, the Committee approved the Compliance Plan for the year 2023, and in December 2023, the Committee approved the Compliance Plan for the year 2024 for the Phnom Penh Branch and Siem Reap Province Sub-Branch. The Committee recommends forwarding these plans to the Board of Directors for consideration and approval, which the Board of Directors has already considered and approved.

(5) Consider the AML/CFT Plan for the year 2023 for the Vientiane Branch

The Committee approved the AML/CFT Plan for the year 2023 for the Vientiane Branch. The Committee recommends forwarding this plan to the Board of Directors for consideration and approval, which the Board of Directors has already considered and approved.



(Mr. Teerapong Wongsiwawilas)
Chairman of the Compliance Committee

Part 2 Corporate Governance

9. Internal Control and Related-Party Transactions

9.1 Internal Control

Due to the necessity of the banking business to respond to the changing business environment and service users' demands, the Bank has developed the appropriate financial technology and innovation for the usability of the customer group so that the transactions are properly conducted, and the customers are facilitated in service usage and safely use technology. Risk management and internal control is one of mechanisms for efficient, transparent and verifiable operations.

However, the Board of Directors and the Management emphasize a good internal control system having continuous monitoring and oversight to ensure the reasonable assurance that the Bank's business operation can achieve its objective, efficient and effective business operations, trustworthy reporting of financial and operational information, and work performance in compliance with laws, rules and regulations, as well as prevention of the acts that may cause damage to the Bank's properties and reputation under the Standard of the Committee of Sponsoring Organizations of Treadway Commission (COSO). The Board of Directors assigns the Audit Committee to perform the duty of verifying and commenting on the adequacy and effectiveness of the internal control system, information technology system security, and information technology control to convince that the Bank's internal control system is appropriate, adequate and consistent with Corporate Governance Code and good risk management principles.

The COSO Internal Control Guidelines consist of five main components as follows:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

The Bank operates under each component of internal control as follows:

1. Control Environment

The Bank is continually committed to corporate governance operations. Its executives and personnel have a positive attitude and give importance to internal control. The Bank encourages its personnel at every level to perform works under their responsibility, aims at management according to corporate governance principles, and the Corporate Governance Code, emphasizes the code of conduct, integrity, and compliance with the set of regulations, and develops knowledge, skills and competencies of its employees under its vision "Growing Together for [SUSTAINABILITY](#)".

Additionally, the Bank gives importance to building public trust, formulates strategies through the implementation of

The Sustainable Krungthai, and upgrades the corporate governance and sustainability operating process under international standards with the goal of conduct and practices until the enterprise-wide serious and concrete success as follows:

1. The Bank has formulated a Good Governance and Sustainability Strategic Plan 2023-2027 under the Bank's mission as the number one of good governance and good corporate governance, aiming towards Sustainable Krungthai. In 2023, the Bank has upgraded the creation of corporate governance, transparency, integrity, and fairness culture, upgraded the corruption prevention and suppression process through Three Lines of Defense to create a Zero-Tolerance corporate culture, and created a risk management culture that takes into account every sector of stakeholders and Environmental, Social and Governance (ESG) impacts to create the Bank's sustainable value and growth.

2. Tone from the Top: The Chairman of the Board of Directors, directors, Chief Executive Officer, Chief Officers, Group Heads, and employees of the Bank have emphasized and adhered to the collective declaration of honest intention and will on moral work performance with integrity and transparency to develop the standards of morality and ethics, create good values and awareness, adhere to the corporate governance policy, comply with the set of regulations as well as operation with transparency and verifiability, and to create a Zero-Tolerance corporate culture.

3. The Bank has continually operated activities under the "Sustainable Krungthai" and provides the supervisory executives and employees the opportunities to be engaged in brainstorming on the guidelines for preventing and mitigating corruption problems, creating a proactive mechanism for risk prevention and internal control, and improving higher efficient work processes to be in line with the set of regulations, and good corporate governance. The Bank focuses on developing moral and ethical standards and driving the Bank to be a moral model organization and advancing towards sustainability under international standards.

The Bank has joined the Thai Private Sector Collective Action Against Corruption (CAC) since 2011 and has continually obtained the Certification of CAC Membership for the third consecutive year. The Bank emphasizes the implementation of the Anti-Bribery and Corruption Policy, continuously communicates the clear guidelines for articles, VDO, and activities from senior executives and directly responsible persons via E-mail, Intranet, One Krungthai Application, E-Learning channels, such as Ru-Than-Gun-Plad, Emphasis for Risk Mitigation and Fraud Avoidance, No Gift Policy: "Krungthai does not accept gifts to uphold the spirit of the moral organization", etc.

Throughout its past, the Bank has consistently emphasized transparency and sustainability, integrating ESG (Environmental, Social, and Governance) principles, human rights, and societal, and environmental concerns. The Bank undertakes various activities and projects aimed at enhancing the quality of life for employees, customers, and all stakeholders. Efforts include reducing disparities in digital economy access and income distribution, and collaboratively advancing Thai society towards a Digital and Cashless Society. Moreover, the Bank is dedicated to fostering financial equality in Thailand, addressing economic, social, and environmental aspects. This commitment is exemplified through CSR initiatives.

The Board of Directors and the Audit Committee supervise and monitor the internal control. In this regard, the Audit Committee holds the monthly meeting with the agenda for consideration of audit and credit review results every two months or as deemed appropriate. The Audit Committee also gives remarks and suggestions, as well as action guidelines for improving and preventing the contingent damage to the Bank, and presents the audit and credit review results to the Board of Directors for acknowledgement or for consideration to assign the Management to take action. Regarding the monthly review of financial statements and performance of the Bank and its subsidiaries, the Financial Management Group monthly presents the Audit Committee for consideration, and the Audit Committee mutually convenes with the external auditors to provide viewpoints as well as suggestions that are useful for the Bank. Moreover, the Audit Committee monthly summarizes the duty performance information and reports to the Board of Directors.

The Bank has established an organizational structure which is appropriate for business operations based on the three Lines of Defense principles under the good risk management and internal control principles with a clear segregation of duties and responsibilities. A business unit is assigned to review and audit the work performance to be in line with the organization's set of rules and regulations. The duties and responsibilities of the employees are explicitly assigned in writing. Moreover, the scope of the approval authority level for the executives at each level has been defined. Human resource management policies and procedures are appropriate to motivate and support the operators by emphasizing strengthening employee engagement. The employee engagement survey form is prepared twice a year and the acquired result is used to improve the personnel operations.

The Bank communicates its strategic plans and business plans, as well as important goals to the employees for acknowledgement all over and in the same direction that aligns with the Bank's strategy. Additionally, the Bank has determined the personnel skill and knowledge development plan that conforms to the Bank's strategies. The Bank has fairly emphasized Market Conduct by reiterating its branch employees nationwide to provide complete and accurate information to customers for supporting important decision-making without forced sales.

Additionally, the Bank also gives importance to complaints by determining the Customer Complaint Center as a center for receiving complaints from customers to coordinate with the related business units in solving problems, setting a SLA based on the type of complaints, and analyzing the types and solution guidelines for customer satisfaction, and monthly reporting the results to the executives.

2. Risk Assessment

The Bank continues to efficiently develop and improve its risk management process. Risk cluster is the Second Line of Defense to oversee the overview of the Bank's risk management and serves as a center for developing risk management systems and connecting the entire organization, monitoring and reporting the status of each area of risk to the Bank's committees, comprising the Board of Directors, the Audit Committee, the Risk Oversight Committee, and the Management Committee.

Moreover, the Bank has carried out on the risk culture which has been carried forward from the organizational leader, motivation building and human resource management to understand risk management by giving importance to enterprise risk management which is the risk management process that is necessary to be a way leading the organization into success and ability to achieve the desired objectives. The enterprise risk management includes management of key risks, namely strategic, credit, market, liquidity, operational, information technology, compliance, and reputation risks through risk monitoring in the form of key risk indicators; and is displayed on the Risk Management Dashboard to summarize the information of risk management on each aspect. The risk causes and risk management methods are identified/analyzed and monthly reported to the Risk Oversight Committee (ROC).

Regarding the adequacy of capital fund, the Bank has assessed the adequacy of capital completely covering significant risk in every aspect. The said risk is the risk defined in the rules for maintenance of minimum capital fund under Pillar 1 Principle and Pillar 2 Principle both in normal and critical conditions.

Regarding information technology, the risk oversight in information technology is the main part since technology plays a vital role in every sector in the Bank's business operation. Information technology key risk indicators (IT-KRI) which are Leading and Lagging Indicator have been defined for use in risk monitoring under the key framework of principles as follows:

1. Confidentiality of the system and information
2. Integrity of the system and information
3. Availability of the information technology to ensure the preparedness to effectively cope with, and to be prevention of impacts on the Bank's services, work systems, and reputation.

The Bank has complied with the Notification of the Cyber Security Committee Re: the Code of Practices and Frameworks of Cyber Security Standards for Government Agencies and Key Infrastructure Agencies in Information B.E. 2564 (2021), and The Bank continuously assesses cyber security risk.

The Bank places importance on a Zero-Tolerance culture, with continuous communication from the Bank's executives to employees and support for reporting unusual incidents or fraudulent clues. The business unit executives report corrupt practice incidents to Financial Crime Sector, Legal Compliance & Financial Crime via E-mail within 24 hours to help suspend the incident and correct the situation in a timely manner. Additionally, Audit cluster uses RPA (Robotic Process Automation) as an aided tool to detect unusual transactions.

For operational risk management, the Bank's internal business units report operational loss incidents through the determined work system under the Bank's operational risk management policy to show the gross loss amount from all 7 types of operational loss incidents and as the risk management data within the Bank. The Operational Risk Department continuously monitors operational loss data and reviews risk appetite and risk tolerance to be consistent with the type of risk incident currently confronted by the Bank to be triggered in signaling risk to Three Line of Defense, and jointly solves problems in an integrated manner with complete and correct data. Additionally, the problems have been versatile considered and solved. In 2023, the Bank has had incidents which are key risks or new types of risks. For instance, the customers were deceived by the gangsters to install an Application to control the telephone and transfer money, etc., the Bank's account was used for fraud (mule account), etc. The Bank has adopted RPA (Robotic Process Automation) to detect Suspected Transaction which helps the Bank to quickly manage hazards.

For the primary forms of risks, the Bank has still continually monitored the incidents to additionally measure the effectiveness of the control process implemented by the Bank, for instance, internal fraudulent risks, such as fraudulent money withdrawal and fraudulent money transfer, have still been the existing fraudulent forms detected in each year, but at present, the Bank can rapidly detect fraudulent money withdrawal and fraudulent money transfer from utilizing RPA to detect Suspected Transaction. Therefore, this has deterred the employees from being afraid of performing fraudulent acts because if the fraudulent act is performed, it will be rapidly detected; and also reduced gross loss amount due to internal fraud. Moreover, the Bank has also focused on the strength of the Three Lines of Defense. Upon detection of internal fraud, Three Line of Defense Units will mutually discuss to analyze the Gap and Root Cause and mutually find both short-term and long-term corrective guidelines to ensure that the problems are sustainably solved. This has followed the order of the Board of Directors that has reiterated the fraud and has been serious with penalties against both fraudsters and accomplices. There have still been the likelihood of external fraudulent risks, such as forgery of the authorized drawer's signature by the third party or impersonation to be the account holder to withdraw money from the account/cheque, etc. Therefore, the Bank must seek the corrective guidelines at the best effort by implementing additional control to maintain the interests of

the customers and the Bank and will monitor the effectiveness of the corrective guidelines is further monitored, and improve the internal control process to keep up with the risk factors and the changing situations.

Furthermore, the Bank conducts product assessment in launching the Bank's products, which is a joint execution between the product owner's business unit, the Legal Compliance & Financial Crime, the Operation Group, Risk cluster, and the Financial Management Group. This includes the case where the Bank uses services from third parties or provides services to other persons, the case owner's business unit will assess the potential risks and establish the control guidelines. The product assessment data is stored through the Bank's work system, and a product committee or other related committees will comment on the products before the products are launched to the market.

The Bank conducts an internal control assessment every year. At the business unit level, the Bank requires every business unit to conduct a Risk Control Self-Assessment (RCSA) to identify and assess the risks that may arise in business units and take the operational loss incident and observation of Audit cluster to be the consideration supporting data. Each business unit appoints an Operational Risk Officer (ORO) to be the coordinator inside the business unit and collaborate in the operating process about the operational risk management tool of its business unit.

3. Control Activities

The Bank emphasizes the operating processes and internal control by setting as policy and operating regulations to bring about o guidelines. The authority and responsibility and scope of each employee's authority to approve each type of transaction are clearly determined in writing and communicated to the employees within the organization for acknowledgement. Furthermore, the Bank also always reviews the internal operating procedures, such as account opening procedures, credit and electronic product serviced by the Bank procedures, etc., to be clear and up-to-date; and reviews the policies, and SOP manuals within the Bank so that the employees can easily apply them to their operations and provide customers with proper and fast services.

The Audit Committee which is assigned to the task by the Board of Directors performs the duty to review the effectiveness of the internal control system and the financial reports together with the external auditors and the Financial Management Group to ensure that the financial statements preparation process is properly carried out as appropriate in the essence under the financial reporting standards and regulatory requirements, and the disclosure of information is adequate, complete, timely, reliable and beneficial to financial statements users. The Audit Committee also follows up on corrections of observations from the external auditor's audit of financial statements.

The Board of Directors and Executive give importance to the review and monitoring of the Bank's performance by focusing on achieving the Bank's objectives and monitoring actual performance

compared with past performances and the performance of the Bank compared with the competitors' data.

Additionally, the Bank emphasizes Governance Risk Compliance (GRC). In a collaboration between Three Lines of Defense, the use of management tools is integrated by rapidly reporting the executives and related parties and having all-around information for making decisions without delay.

The Bank's operating regulations on asset protection include limitation of access to assets at risk, asset maintenance concisely and adequately, preparation of control registration, follow-up and determination of causes and improvement on the occurred difference, information system control in terms of processing, data transmission, and file backup, supply of computer system and development and maintenance of the work systems in the information system to be sufficient and suitable for the organizational needs. Additionally, an annual review of the internal control of the information system is conducted by Audit cluster.

The Bank has formulated an internal control process, both for hard control and soft control, in every work process through the controls by regulations, manuals, and work systems. Additionally, the Bank creates a risk culture to ensure that the employees are aware of and work with prudence and accuracy, and also encourages the employees to be creative, apply technology in working to reduce errors from human error and upgrade the service and product efficiency. However, there have also been gaps in some issues, particularly the employees' lack of operating knowledge and understanding of the regulations, manuals, and guidelines outlined by the Bank. The related business units have intensified the training, communicated and publicized knowledge to the operators to close such gap. In this regard, in 2023, the Bank has established the additional corrective guidelines and took the important actions as follows:

- The Market Conduct Customer Complaints Resolution Team has improved the process to ensure an increase in efficiency of complaints handling and a proper practice under the rules of Market Conduct, as well as correction and prevention to avoid complaints in the primary issues. Additionally, the Team has also participated in appropriately considering, and determining guidelines and measures for assistance, relief, and remedy.

- The Krungthai NEXT Application System has been continuously upgraded and developed to improve and increase service efficiency by focusing on the development of financial technology and innovation to conveniently, rapidly, and safely fulfil every group of customers, particularly from the incidents that the customers were deceived by the gangsters to install Application to control telephone and transfer money. The Bank has constantly developed security to prevent such incidents and publicized through the Bank's channels for the customers' update of the Krungthai NEXT Application into the updated version.

- The efficiency of Call Center service is improved and developed to meet the current needs of the customers who need convenience, rapidity, and cyber security.

- The Bank focuses on being Digital Banking using e-Solutions System for customers in the type of individual in every branch nationwide to provide full electronic financial transaction services covering all work processes of branches. Additionally, document storage increases work effectiveness with rapidity and accuracy, and reduces the usage quantity of papers through usability via modern devices and technologies.

- The Bank by Three Lines of Defense Units has regularly signaled risks and taken to discuss for solving problems in an integrated manner, particularly the case of internal fraud. In Retail Banking, a team has been set up to reprocess branch works to adjust the process and upgrade the operations of branches and business offices. The tools and work systems have been developed to ensure the proper operation of employees under the set of regulations and internal control process of the Bank.

- Under the notification in the Government Gazette Re: "Emergency Decree on Measures for the Prevention and Suppression of Technological Crimes B.E. 2566 (2023)" to be effective on March 17, 2023, the Bank has improved work systems within the Bank and improved the incident reporting process to be in line with the requirements, and mutually discussed with The Thai Bankers' Association to ensure data sharing and monitoring, and coordination of the group of commercial banks in an integrated manner to freeze the account, rapidly helping abate damage to the customers.

In the credit aspect, the Audit collects the significant detection issues to analyze the problem issues and prepare Lesson Learned to communicate and carry out a Workshop for jointly determining a guideline with Risk to mitigate the Bank's potential risks or mitigate the likelihood of recurrent incidents.

The Bank places importance on the channels and procedures for reporting corruption risks by giving the stakeholders the whistleblowing opportunity for offences via several channels. If fraudulent, illegal or non-compliance acts are found, the whistleblower's information will be kept confidential and protected both during the investigation and after the completion of the process. The Bank regularly communicates whistleblowing channels and procedures to executives and employees, such as E-mail. These channels and processes for reporting risks, misconduct or non-compliance under a set of regulations occurring in the organization have been created to build trust among the executives and employees who use the channels available by financial institutions to report risks and misconduct.

The Bank has established a process for managing information systems development schemes, including information security policies and standards as standards for the development of work systems, covering the collection of requirements, development and testing of the system both in terms of system functions and system security, and change management on production.

The Bank has also supervised and monitored Krungthai Computer Services Co., Ltd. to maintain the work systems in terms of availability and security under the Bank's policies and standards: security and surveillance of information assets, surveillance of information technology threats, environmental security and IT operation management.

The Bank establishes the following procedures and guidelines used for emergencies and systematically supports business continuity to keep hardware and software systems as well as data and information continuously available to effectively meet customer and business needs. The said procedures and guidelines include:

1. Business Continuity Management Policy (BCM) and Business Continuity Plan (BCP)
2. IT Contingency Plan (ITCP) for supporting the business continuity
3. Preparation of the Backup Site according to the BCP plan and the Disaster Recovery Center
4. Test rehearsal according to the BCP and ITCP

The abovementioned procedures are regularly reviewed/updated by the Bank to be practical and consistent with the ever-changing situation.

The Bank emphasizes compliance with the Personal Data Protection Act regarding the right protection relating to personal data. In this regard, the Bank constantly prepares and communicates for understanding within the Bank to support the continuous compliance with such laws to ensure that personal data maintenance is secure and managed properly. Moreover, the procedures for implementing policies, standards, and work systems relating to personal data protection (PDPA Process Flow) have been established. The guidelines for the collection, use, and disclosure of sensitive data have also been announced to the Bank's internal business units for acknowledgement and compliance with the Personal Data Protection Act (PDPA) accordingly.

The Bank boosts awareness of the secure use of technology in terms of creating a body of knowledge in the use of information technology. This is to be aware of and protect themselves and the Bank's information assets to be safe from the ever-increasing cyber threats by promoting and supporting compliance with information security policies and processes. The Bank provides knowledge and simulation tests of Phishing E-mail threats to the employees and executives to ensure the Bank's security from cyber threats. Additionally, the Bank gives warnings in various aspects, such as fraudulent SMS and supervising each class of information based on the information suitability, or setting passwords to be strong, concise and easy to remember etc.

For internal control of the Bank's subsidiaries, the Bank has monitored and controlled its subsidiaries according to the rules of risk oversight of the financial business group, both in terms of risk management and management quality, and regularly reported to the Board of Directors upon significant changes, covering all 7 risks: strategic, credit, market, liquidity, operation, reputation, and IT. The risk reporting and assessment includes

the Control Self-Assessment (CSA), Key Risk Indicator (KRI), Loss Data Reporting, and Risk Control Self-Assessment (RCSA), etc. However, if a risk arises, the Bank will closely and continuously monitor the risk management of its subsidiaries.

4. Information and Communication

The Bank builds the employees' awareness of using technology safely, and prevents data leaks under the Personal Data Protection Act. The Bank has created an information system that supports the systematic reporting of risk impact level analysis and early warning system of incidents or risks that may arise and affect the organization through the enterprise risk management process which is yearly reviewed. The Bank also has a fraud monitoring system for suspect unusual financial transactions to ensure the detection of unusual transactions and the reduction of potential damage to customers, as well as the reduction of errors in the case where branch employees improperly perform work under the Bank's operating regulations. There have been many systems to support the compliance with controls of various fraud areas, i.e. Card & Cyber Fraud, Branch Fraud, Merchant Fraud, Account Fraud, etc., as well as knowledge sharing both internally and externally to employees and customers to build awareness of financial crime and fraud via social media, such as Line and Facebook, etc. The Bank also trains and communicates both within and outside the Bank and the affiliated companies on information technology risks, such as cyber risk and cyber security; and conducts workshops and communicates the articles via E-mail, such as guidelines and provision of services on mobile devices (Mobile Device Management).

The Bank has applied technology for use in communication within the Bank through ONE Krungthai Application to inform news, products, e-learning, human resource management and knowledge management. However, in communicating newly launched products and services, there is a process to communicate the employees within the Bank and the call center employees to be informed via Intranet, circular letter and E-mail media, and to communicate with customers to be informed via the Bank's social media through the Bank's Line, Facebook, X and website.

In terms of communication via external channels, the Bank has a contact telephone number of Call Center at 0-2111-1111 and the communication channels of information or introduction of the Bank's products to general customers through social media channels, such as Line Official, Krungthai Care, etc., and has determined complaint channels that contact the whistleblowing team. Additionally, the external and internal information are communicated to executives and users within the organization through various channels, such as the intranet and printing media so that the employees can easily access the information with clearness, and the information recipients can efficiently perform work within responsibility.



5. Monitoring activities

The Bank continually monitors and assesses performance and internal control results through the evaluation of two indicators: Key Performance Indicator (KPI) and Key Risk Indicator (KRI).

In terms of KPI monitoring, the executives and assigned persons monitor performance and monitor during operation from the Bank level to the business unit level by employing different reporting tools and formats as appropriate for the job description and reporting user's needs to ensure the complete, accurate and timely monitoring of performance. Additionally, the executives compare the performance with the plan. If discrepancies in performance from the plan are found, the executives must analyze and manage the work plan under the set objectives, as well as monitor the progress of the execution of resolutions or orders of the committees and report the progress regularly. Additionally, the Bank has employed the performance assessment concept under Objective & Key Results (OKRs) and Design Thinking to drive organizational performance through the sustainability plan of which impact is outstanding at the group level.

In terms of KRI monitoring, it is a monitoring of risks that may cause non-conformity of operation to KPI. The monitoring through the enterprise risk management process in the form of a risk management dashboard is systematic and monthly presented to the Risk Oversight Committee to timely report on the signs of the overall risk indicators of the organization, risk status, and guidelines for corrective and improvement actions. In the cases of matters under the Bank's emphasis and urgency, the Risk Oversight Committee will issue an order and request more information and may issue an order to the Management so that the Bank can achieve its objectives of internal control efficiently and effectively.

In the cases of internal and external frauds, employees' operating mistakes, system failures/interruptions/malfunctions, fines imposed by the official agency from the Bank, and other acts that may have a significant effect on the organization, the Bank has formulated a process for business units that are the First Line of Defense to report the occurred incidents through the Bank's work system immediately or within the day the incident is detected. Significant incidents will be monthly reported on a risk dashboard to the MC and the ROC. The operational loss data's risk appetite and risk tolerance as approved and set out in the operational risk management policy will be monitored, causing the perception of the committees on quantitative overview whether the Bank is at the risk level defined by the Bank or not. The risk analysis in the significant incident, both in the details of the cause, failed control and additional control will be presented to close gaps in occurred incidents and monitor the effectiveness of controls that have been implemented. However, the committees will additionally comment and suggest for the related business units to improve internal control in an integrated manner and enable to close the risks in type of end-to-end process, and closely monitor the progress.

Similarly, in the event of fraudulent incidents, the Bank has established protocols for the First Line of Defense to report such incidents to the Fraud Investigation team within 24 hours. This prompt reporting enables rapid investigation to ascertain facts and determine the outcomes of the fraud, leading to potential legal actions or disciplinary measures. Additionally, the Internal Audit function, serving as the Third Line of Defense, is tasked with reviewing and assessing the adequacy and effectiveness of operational processes, information systems, internal controls, and risk management. This includes their alignment with the Bank's operational mission and scope. The Audit team also provides recommendations and advice on improvements and corrective measures to enhance efficiency, economy, fraud prevention, and good governance.

9.2 Related Party Transactions

9.2.1 Details of the Bank's loans and obligations to its subsidiaries, associated and affiliated companies are as follows:

Unit : Million Baht

The Bank’s Financial Statements	31 December 2023		31 December 2022		Shares held by the Bank (%)	Common Directors or Top Executives
	Loans	Commitments	Loans	Commitments		
The Bank’s Subsidiaries ⁽¹⁾						
Krungthai Law Co., Ltd.	-	-	-	-	100.00	Mr. Pongsit Chaichutpornasuk Mr. Chanchai Sinsuparat
KTB General Services and Security Co., Ltd.	7	213	9	33	100.00	Mr. Chanchai Sinsuparat
Krungthai Asset Management Pcl.	-	-	-	-	100.00	-
Krungthai Computer Services Co., Ltd.	1,049	5	1,852	5	100.00	Mr. Tawatchai Cheevanon Mr. Pongsit Chaichutpornasuk
KTB Advisory Co., Ltd.	-	-	-	-	76.00	Mr. Krairit Euchukanonchai Mr. Payong Srivanich
Krungthai Card Pcl.	11,781	1	10,130	1	49.29	Ms. Paralee Ratanaprasartporn
Infinitas By Krungthai Co., Ltd. ⁽⁴⁾	-	-	-	-	-	Mr. Krairit Euchukanonchai Mr. Tawatchai Cheevanon Ms. Paralee Ratanaprasartporn
Arise by Infinitas Co., Ltd. ⁽⁵⁾	-	-	-	-	-	Ms. Paralee Ratanaprasartporn Mr. Thanakorn Kamjananut
KTB Leasing Co., Ltd. ⁽²⁾	500	-	1,100	-	24.95	Mr. Chanchai Sinsuparat
KTC Nano Co., Ltd. ⁽²⁾	-	-	-	-	24.95	Ms. Nareerut Ariyaprayoon
KTC Prepaid Co., Ltd. ⁽²⁾	-	-	-	-	24.95	-
KTC Pico (Bangkok) Co., Ltd. ⁽³⁾	-	-	-	-	-	Ms. Nareerut Ariyaprayoon
The Bank’s Associated Companies ⁽¹⁾						
Krungthai-AXA Life Insurance Pcl. ⁽⁷⁾	7,665	-	4,481	-	50.00	Ms. Paralee Ratanaprasartporn Mr. Rawin Boonyanusasna
Krungthai XSpring Securities Co., Ltd. ⁽⁷⁾	1	-	550	-	50.00	Ms. Saranya Vejagul Mr. Weerapong Suppasedsak Mr. Rawin Boonyanusasna Mr. Chalerm Pradidarecheep
Krungthai Mizuho Leasing Co., Ltd.	5,574	-	5,370	-	49.00	Mr. Ekachai Techawiriyakul Mr. Weerapong Suppasedsak
Krungthai Panich Insurance Pcl.	1	-	1	5	45.00	Ms. Saranya Vejagul Mr. Weerapong Suppasedsak Ms. Suwanna Anantanond Mr. Thanakorn Kamjananut Mr. Chalerm Pradidarecheep
National ITMX Co., Ltd. ⁽⁶⁾	-	-	-	-	23.02	Mr. Payong Srivanich
BCI (Thailand) Co., Ltd. ⁽⁶⁾	-	-	-	-	22.17	Mr. Tawatchai Cheevanon

Remarks: ⁽¹⁾ "Subsidiaries" and "associated companies" are in accordance with the definitions in the SEC Notification Re: Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Debt Securities.

⁽²⁾ The Bank directly invests 24.95% and indirectly invests 75.05% through Krungthai Card Pcl.

⁽³⁾ The Bank indirectly invests through KTC Pico (Bangkok) Co., Ltd., which holds 100% of the shares in the company.

⁽⁴⁾ The Bank indirectly invests through KTB Advisory Co., Ltd. which holds 100% of the shares in the company.

⁽⁵⁾ The Bank indirectly invests through Infinitas by Krungthai Co., Ltd., which holds 51% of the shares in the company.

⁽⁶⁾ Associated companies according to the consolidated financial statement criteria, excluding those from the financial business group.

⁽⁷⁾ Related party transaction of the Bank and money market (asset).

Unit : Million Baht

The Bank's Financial Statements	31 December 2023		31 December 2022	
	Loans	Commitments	Loans	Commitments
The Bank's Affiliated Companies				
The Bank's Affiliated Companies in which the Bank holds shares from debt restructuring of 10% or more	7,898	198	8,718	1
The Bank's Affiliated Companies that have a parent company or a director or top executive together	48,230	13,006	23,056	59

Details of balances of deposits, interbank and money market items (liabilities), and income and expenses from the Bank's subsidiaries and associated companies are as follows:

Unit : Million Baht

The Bank's Financial Statements	31 December 2023	31 December 2022
Subsidiaries		
Deposits	7,207	4,510
Interbank and money market items (liabilities)	355	343
Associated companies		
Deposits	195	146
Interbank and money market items (liabilities)	3,072	2,979
Subsidiaries		
Interest income	283	107
Interest expenses	25	7
Other income	885	882
Other expenses	6,646	6,601
Associated companies		
Interest income	271	106
Interest expenses	37	41
Other income	2,630	2,592
Other expenses	738	583

Related-party transactions of the Bank, and its subsidiaries and associated companies

- Intercompany trading transactions

Subsidiaries

1) The Bank assigned the Krungthai Computer Services Co., Ltd. to provide information technology services to the Bank in relation to the implementation of various projects and systems according to the Bank's business plan. The services providing to the Bank consist of system control and maintenance, system software development, and providing preliminary consultancy services and training in various areas. The Bank incurred service charges on a cost-plus method of baht 4,199 million and baht 4,125 million for the years ended 31 December 2023 and 2022, respectively.

Since 2003, the GFMS project Phase 2 has been developed and implemented on behalf of the Bank by KTCS.

The Bank and the Office of GFMS attached to the Secretariat of the Prime Minister unanimously signed on the Memorandum of Agreement upon the submission of deliverables and disbursements associated with the investments in the GFMS project on 22 September 2005. Furthermore, the Bank signed a hire-of-work contract for the implementation and maintenance with the Office of GFMS. The Bank incurred service charges of baht 135 million and baht 121 million for the years ended 31 December 2023 and 2022, respectively.

2) The Bank operates a student loan service for the Student Loans Fund, including public relations, policy, regulation, loan payment, document filling, loan notification, loan status, as well as receipt of settlement, pursuit of loan collection, and prosecution. Krungthai Law Co., Ltd. has been designated to prosecute debtors of the Student Loans Fund. The Bank incurred service charges of baht 5 million and baht 23 million for the years

ended 31 December 2023 and 2022, respectively. Moreover, the Bank assigned the company to provide other legal services to the Bank and incurred service charges of baht 196 million and baht 193 million for the years ended 31 December 2023 and 2022, respectively.

3) KTB General Services and Security Co., Ltd. is assigned by the Bank to provide collection and delivery services for all cash, foreign exchange and financial instruments, and the Bank's asset. KTGS also manages Krung Thai Bank Training Center and the Bank's other buildings. The Bank incurred service charges of baht 1,979 million and baht 1,997 million for the years ended 31 December 2023 and 2022, respectively.

4) Infinitas by Krungthai Co., Ltd. is assigned by the Bank to provide services and consultation on innovation and digital solutions including management and application of information technology in various forms to serve the Bank's strategy. The Bank incurred service charges on a cost-plus method of baht 116 million and baht 41 million for the years ended 31 December 2023 and 2022, respectively.

5) The Bank has entered into support service agreement with Infinitas by Krungthai Co., Ltd., whereby the Bank charges service income at the rates as mutually agreed. The Bank generated service income from such services of baht 75 million and baht 107 million for the years ended 31 December 2023 and 2022, respectively.

6) The Bank generated fee income from service with its subsidiaries amounting to baht 893 million and baht 882 million for the years ended 31 December 2023 and 2022, respectively.

7) The Bank generated premises rental income from its subsidiaries of baht 0.4 million and baht 1 million for the years ended 31 December 2023 and 2022, respectively, at the rate upon agreement.

- **Intercompany considerations**

Intercompany income and expenses are based on the rates upon agreement and the amount specified in the contract, while the cost-plus method is used for certain transactions.

The consolidated financial statements include the accounts of subsidiaries after eliminating intercompany transactions and balances.

Associated companies

The Bank generated fee income under support service contracts of baht 2,631 million and baht 2,592 million for the years ended 31 December 2023 and 2022, respectively, at the rates as mutually agreed.

9.2.2 Necessity and Reasonableness of Related-Party Transactions

Related party transactions or connected transactions conducted in 2023 were normal business transactions or support transactions for the normal business of the Bank as well as those conducted under the same general trading conditions as those done with outsiders and were necessary for business operation and supporting business operations. In this regard, the Bank has considered those related party transactions between the Bank or subsidiaries and related persons or persons who might have a conflict of interest with the Bank or subsidiaries; and found that such transactions were conducted in accordance with the general nature of business. In addition, the Bank received and paid remuneration at market prices or fair prices. Such transactions also complied with the requirements of the regulators and were disclosed accurately and completely.

- **Measures for Related-Party Transaction Approval**

The Bank gives importance to the prevention of conflict of interest from conducting related party transactions or connected transactions. In approving such transactions, the Bank has carefully considered the issues of integrity, good faith, reasonableness, and independence within an ethical framework, adhering to the code of conduct and good corporate governance principles of the Bank. To ensure that related party transactions or connected transactions will be conducted in accordance with the requirements of the regulators, the Bank has assigned "the Compliance and Procedures Sector of the Legal Compliance & Financial Crime" to oversee and re-check the approval procedures of such transactions.

For any related party transaction or connected transaction that is required by the regulators or the Bank's procedure to be approved by the Board of Directors, the Bank has formulated best practices for the Board of Directors to follow in order to prevent conflict of interest. The best practice is as follows:

- 1) Each Director must disclose information on transactions that might lead to conflict of interest, connected transactions or related party transactions as required by the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 2) Directors having an interest are prohibited from taking part in the approval process. If connected transactions have been conducted, the Audit Committee shall participate in the approval and give an opinion to comply with good corporate governance and the regulations of the Stock Exchange of Thailand.
- 3) Lending or investing in businesses in which a director has an interest must be unanimously approved by the Board of Directors without the attendance of the director. To prevent a conflict of interest, pricing and terms and conditions must be determined in accordance with the bank's normal trading and with the same treatment given to general customers.

Part 3 Financial Statements

Report of the Board of Directors' Responsibility for Financial Reports

The Board of Directors of the Krungthai Bank Public Company Limited places a great importance on its accountability for the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries, and financial information presented in the Annual Report (Form 56-1 One Report). The financial statements have been prepared in accordance with Thai Financial Reporting Standards, which are practiced appropriately and consistently on a conservative, accurate, complete, reality and reasonable basic in order to truly reflect the Bank's operation result. The financial performance and all material information are sufficiently and transparently disclosed to the regulators and the Stock Exchange of Thailand continuously on schedule for the purpose of shareholders and investors. These financial statements have been audited by qualified independent auditors who have given their unqualified opinions.

The Board of Directors provides good corporate governance and maintains appropriate and effective risk management, internal control and internal audit to ensure that financial information are accurate, complete and adequate to protect the Bank's assets as well as to prevent and detect fraud and significant irregular operations.

The Board of Directors has appointed the Audit Committee comprising of Independent Directors to oversee and review the accuracy and reliability of the Bank's financial statements together with the sufficiency of internal control and the efficiency and effectiveness of internal audit to ensure that the financial statement are accurate and reliable. The Audit Committee has expressed its opinions in the Report of the Audit Committee in this Annual Report (Form 56-1 One Report).

The Board of Directors is of the view that the Bank maintained an effective internal control system at a satisfactory level, which can reasonable assure that the Bank's financial statements and the consolidated financial statements of the Bank and its subsidiaries for the year ended December 31, 2023 reflect the financial positions and operation results of the Banks and its subsidiaries are reliable to Thai Financial Reporting Standards and relevant laws and regulations.



(Mr. Lavaron Sangsniit)
Chairman



(Mr. Payong Srivanich)
Chief Executive Officer

Independent Auditor's Report

To the Shareholders of Krung Thai Bank Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Krung Thai Bank Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Krung Thai Bank Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Krung Thai Bank Public Company Limited and its subsidiaries and of Krung Thai Bank Public Company Limited as at 31 December 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards and the Bank of Thailand's regulations.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current year. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Allowances for expected credit losses of loans to customers

As discussed in Note 8.8 to the consolidated financial statements, as at 31 December 2023, the Group had loans to customers of Baht 2,576,516 million (representing 70 percent of total assets) and allowances for expected credit losses amounting to Baht 173,317 million, which are material amounts to the financial statements. In addition, the basis to be used for calculation of the allowance for expected credit losses involves complex calculation modelling and requires management to use significant judgements and estimates in developing expected credit losses models in compliance with Thai Financial Reporting Standards and the rules set by the Bank of Thailand. The areas of significant management judgement include the identification of criteria for assessment of a significant increase in credit risk of loans to customers, the relevant variables with modelling, the selection of the future economic variables to be incorporated in the models and a management overlay used to adjust of the allowance for expected credit losses due to the limitations of the model.

Because of the materiality and the use of judgement and estimates mentioned above, I addressed the adequacy of allowances for expected credit losses of loans to customers as a key audit matter.

I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of the Group's internal controls relating to the loan origination, the calculation of allowance for expected credit losses of loans to customers, taking into account the exposure balances, complexity and credit risk of each loan portfolio. I compared the accounting policies of the Group with Thai Financial Reporting Standards and the regulations announced by the regulator. I considered and assessed the process governing model development, reviewed model development documentation and model validation report as prepared by the specialist engaged by the management of the Group and independent department of the Group, and tested, on a sampling basis, the accuracy of the data used in model development. I also assessed the methods and assumptions applied by the Group in the calculation of the allowance for expected credit losses, including the method used to incorporate the management overlay to address the limitations of the model and the recording of allowance for expected credit losses. I tested, on a sampling basis, the controls over the information technology systems relevant to the calculation of allowance for expected credit losses.

I examined the allowances for expected credit losses by assessing, on a sampling basis, the classification of loans to customers based on the changes in credit risk since initial recognition, and recalculating, on a sampling basis, the allowance for expected credit losses as at the end of the accounting period, including testing, on a sampling basis, the completeness of the data used in the calculation of allowance for expected credit losses.

Moreover, I assessed the adequacy of disclosure in accordance with the relevant financial reporting standards, as well as notifications and guidelines announced by the Bank of Thailand.

Recognition of interest income on loans to customers

For the year ended 31 December 2023, the Group recognised interest income on loans to customers amounting to Baht 134,635 million (representing 90 percent of total income). The Group recognised interest income using the effective interest rate method, which involves the use of management judgement and estimates in estimating future cash flow receipts throughout the expected life of the financial instruments or, when appropriate, a shorter period, taking into account any discount or premium on acquisition, fees and costs that are an integral part of the effective interest rate. Moreover, the interest income was generated from various type of loans provided to a large number of customers and each type of loan agreement had different terms and conditions. In addition, the recognition of interest income relies primarily on data processed by the information technology systems. I therefore focused my audit on whether interest income on loans to customers is recognised appropriately and in a timely manner, in accordance with Thai Financial Reporting Standards and the regulations announced by the Bank of Thailand.

The audit procedures I performed were to gain an understanding of, assess and test, on a sampling basis, the effectiveness of the Group's internal controls relating to loan origination and interest income recognition, including relevant internal controls over information systems. I compared the accounting policies of the Group with Thai Financial Reporting Standards and the regulations announced by the regulatory agency. I also assessed the methods applied by the management to determine the future cash flow receipts and the expected life of the financial instruments used in calculating the effective interest rate, including testing, on a sampling basis, the accuracy of the data and the calculation. In addition, I applied a sampling method to select loan agreements to consider whether the recognition was consistent with the conditions of the relevant agreement and an adjustment was made to reflect effective interest rate. I also performed analytical procedures on interest income on loans to customers and examined, on a sampling basis, material adjustments made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Bank but does not include the financial statements and my auditor's report thereon. The annual report of the Bank is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Bank, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited Bangkok: 28 February 2024

Part 3 Financial Statements

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

Unit: Thousand Baht

Unit: thousand BGN

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
Assets					
Cash	8.1.1	55,625,890	61,590,792	55,590,034	61,565,118
Interbank and money market items - net	8.3	701,161,506	550,940,565	700,439,909	549,955,203
Financial assets measured at fair value through profit or loss	8.4	25,945,606	33,568,015	25,945,606	33,568,015
Derivatives assets	8.5	69,461,150	83,170,487	69,461,150	83,170,487
Investments - net	8.6	263,707,944	277,054,816	263,601,161	277,554,194
Investments in subsidiaries and associated companies - net	8.7	13,532,731	12,319,651	11,246,361	11,175,610
Loans to customers and accrued interest receivables - net	8.8	2,426,094,942	2,443,831,839	2,336,698,991	2,361,276,730
Properties for sale - net	8.10	34,859,742	40,829,441	34,851,303	40,790,389
Land, premises and equipment - net	8.11	31,064,204	31,199,913	28,641,136	28,659,834
Right-of-use assets - net	8.12.1	3,796,887	3,660,321	2,645,973	3,028,949
Intangible assets - net	8.13	19,429,322	15,163,697	20,312,056	14,631,644
Deferred tax assets	8.14.1	6,362,541	4,497,292	3,703,883	1,957,578
Accrued income		2,407,180	2,490,168	2,401,036	2,451,896
Other assets - net	8.15	24,234,808	32,101,866	25,132,420	32,543,392
Total assets		3,677,684,453	3,592,418,863	3,580,671,019	3,502,329,039

The accompanying notes are an integral part of the financial statements.



(Mr. Lavaron Sangsrit)
Chairman



(Mr. Payong Srivanich)
Chief Executive Officer

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2023

Unit: Thousand Baht

		Consolidated financial statements		Separate financial statements	
	Note	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Liabilities and equity					
Deposits	8.16	2,646,871,577	2,590,236,439	2,654,750,950	2,594,724,935
Interbank and money market items	8.17	282,696,058	277,098,585	276,453,291	272,492,597
Liabilities payable on demand		4,423,279	5,018,811	4,423,279	5,018,811
Financial liabilities measured at fair value through profit or loss	8.18	-	2,318,740	-	2,318,740
Derivatives liabilities	8.5	63,936,503	78,506,970	63,936,503	78,506,970
Debt issued and borrowings	8.19	160,839,009	151,171,799	114,201,870	106,902,043
Lease liabilities	8.12.2	3,841,492	3,687,832	2,638,120	3,002,514
Provisions	8.20	17,004,654	17,444,245	15,454,110	15,927,492
Other liabilities	8.21	77,225,585	74,363,410	69,025,724	67,425,344
Total liabilities		3,256,838,157	3,199,846,831	3,200,883,847	3,146,319,446
Equity					
Share capital	8.22				
Authorised share capital					
5,500,000 preferred shares of Baht 5.15 each		28,325	28,325	28,325	28,325
13,976,061,250 ordinary shares of Baht 5.15 each		71,976,715	71,976,715	71,976,715	71,976,715
Issued and paid-up share capital					
5,500,000 preferred shares of Baht 5.15 each		28,325	28,325	28,325	28,325
13,976,061,250 ordinary shares of Baht 5.15 each		71,976,715	71,976,715	71,976,715	71,976,715
Premium on share capital					
Premium on ordinary share		20,833,734	20,833,734	20,833,734	20,833,734
Deficit from the change in the ownership interests in subsidiaries		(666,074)	(659,694)	-	-
Other components of equity	8.23	16,171,217	17,906,648	19,675,701	21,771,581
Retained earnings					
Appropriated					
Legal reserve	8.24	7,200,504	7,200,504	7,200,504	7,200,504
Unappropriated		286,831,656	259,018,538	260,072,193	234,198,734
Equity attributable to equity holders of the Bank		402,376,077	376,304,770	379,787,172	356,009,593
Non-controlling interests		18,470,219	16,267,262	-	-
Total equity		420,846,296	392,572,032	379,787,172	356,009,593
Total liabilities and equity		3,677,684,453	3,592,418,863	3,580,671,019	3,502,329,039

The accompanying notes are an integral part of the financial statements.



(Mr. Lavaron Sangsrit)
Chairman



(Mr. Payong Srivanich)
Chief Executive Officer

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

Unit: Thousand Baht

Unit: Thousand Baht

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss					
Interest income	8.31	152,368,804	113,474,820	136,648,101	98,405,801
Interest expenses	8.32	38,949,463	23,070,169	37,523,856	21,759,677
Net interest income		113,419,341	90,404,651	99,124,245	76,646,124
Fees and service income		28,671,547	28,096,252	20,682,787	21,445,418
Fees and service expenses		7,799,292	7,780,630	5,112,871	5,563,825
Net fees and service income	8.33	20,872,255	20,315,622	15,569,916	15,881,593
Net gains on financial instruments measured at fair value through profit or loss	8.34	5,178,178	5,232,690	5,177,819	5,233,114
Net gains on investments	8.35	195,110	238,790	156,087	372,185
Share of profit from investments accounted for under equity method		1,353,456	1,094,766	-	-
Dividend income		319,473	351,737	3,255,641	3,336,631
Other operating income		8,127,347	7,752,630	4,910,421	4,382,496
Total operating income		149,465,160	125,390,886	128,194,129	105,852,143
Other operating expenses					
Employee's expenses		25,765,668	25,763,257	19,626,369	20,033,074
Directors' remuneration		367,167	377,219	90,379	116,092
Premises and equipment expenses		10,288,662	9,643,874	5,667,084	5,189,594
Taxes and duties		5,079,720	4,054,120	4,447,422	3,482,742
Impairment losses of properties for sale		4,549,407	1,312,867	4,620,875	1,289,099
Others		16,106,008	13,619,310	20,108,041	17,411,189
Total other operating expenses		62,156,632	54,770,647	54,560,170	47,521,790
Expected credit losses	8.36	37,085,423	24,337,556	31,098,112	19,697,098
Profit before income tax		50,223,105	46,282,683	42,535,847	38,633,255
Income tax	8.14.2	9,902,034	9,076,895	7,854,798	6,951,315
Net profit		40,321,071	37,205,788	34,681,049	31,681,940

The accompanying notes are an integral part of the financial statements.



(Mr. Lavaron Sangsrit)
Chairman



(Mr. Payong Srivanich)
Chief Executive Officer

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2023

Unit: Thousand Baht except earnings per share expressed in Baht

Note	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Other comprehensive income (loss)				
<i>Transactions that will be reclassified subsequently to profit or loss</i>				
Gains (losses) on debt securities measured at fair value through other comprehensive income	(281,025)	(1,988,321)	(294,526)	(1,979,437)
Gains (losses) arising from translating the financial statements of foreign operations	(28,781)	(54,734)	(28,781)	(54,734)
Gains (losses) on cash flow hedges	(474,782)	328,791	(474,782)	328,791
Gains (losses) from deferred cost of hedging	249,418	(35,945)	249,418	(35,945)
Share of other comprehensive income (loss) of associate (equity method) for items that will be reclassified subsequently to profit or loss	1,607,387	(9,184,597)	-	-
Income tax relating to other comprehensive income (loss) for items that will be reclassified subsequently to profit or loss	8.14.2 101,278	339,095	103,978	337,319
<i>Transactions that will never be reclassified subsequently to profit or loss</i>				
Gains (losses) on investments in equity designated to be measured at fair value through other comprehensive income	(2,007,050)	(1,180,086)	(2,006,483)	(1,180,086)
Actuarial gains (losses) on defined benefit plan	910,641	1,109,473	853,355	983,116
Share of other comprehensive income (loss) of associate (equity method) for items that will never be reclassified subsequently to profit or loss	(1,304,055)	(940,587)	-	-
Income tax relating to other comprehensive income (loss) for items that will never be reclassified subsequently to profit or loss	8.14.2 219,796	14,123	230,626	39,394
Other comprehensive income (loss) - net	(1,007,173)	(11,592,788)	(1,367,195)	(1,561,582)
Total comprehensive income (loss)	39,313,898	25,613,000	33,313,854	30,120,358
Total profit attributable to:				
Equity holders of the Bank	36,615,911	33,697,736	34,681,049	31,681,940
Non-controlling interest	3,705,160	3,508,052		
	40,321,071	37,205,788		
Total comprehensive income attributable to:				
Equity holders of the Bank	35,613,962	22,097,020	33,313,854	30,120,358
Non-controlling interest	3,699,936	3,515,980		
	39,313,898	25,613,000		
Earnings per share of the Bank				
8.37 Basic earnings per share (Baht)	2.62	2.41	2.48	2.27

The accompanying notes are an integral part of the financial statements.


(Mr. Lavaron Sangsnit)
Chairman

(Mr. Payong Srivanich)
Chief Executive Officer

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Consolidated financial statements											Unit: Thousand Baht	
	Attributable to equity holder of the Bank										Non-controlling interests		Total
	Issued and fully paid-up share capital	Premium on share capital	Deficit from the change in the ownership interest in subsidiary	Surplus (deficit) on revaluation of assets	Surplus (deficit) on revaluation of investments	Hedge reserve (Note 8.5.2)	Gains (losses) from translating the financial statements	Share of other comprehensive income (loss) of associates	Retained earnings	Total equity attributable to equity holders of the Bank			
Balance as at 1 January 2022	72,005,040	20,833,734	(659,694)	14,296,331	10,076,906	67,482	73,158	6,012,485	237,347,450	360,052,892	14,058,548	374,111,440	
Dividends payment (Note 8.25)	-	-	-	-	-	-	-	-	(5,845,142)	(5,845,142)	(1,307,266)	(7,152,408)	
Transfer to retained earnings	-	-	-	(85,130)	(25,502)	-	-	(28,715)	139,347	-	-	-	
Total comprehensive income (loss)	-	-	-	-	(2,534,726)	234,277	(54,734)	(10,125,184)	34,577,387	22,097,020	3,515,980	25,613,000	
Balance as at 31 December 2022	72,005,040	20,833,734	(659,694)	14,211,201	7,516,678	301,759	18,424	(4,141,414)	266,219,042	376,304,770	16,267,262	392,572,032	
Balance as at 1 January 2023	72,005,040	20,833,734	(659,694)	14,211,201	7,516,678	301,759	18,424	(4,141,414)	266,219,042	376,304,770	16,267,262	392,572,032	
Dividends payment (Note 8.25)	-	-	-	-	-	-	-	-	(9,536,275)	(9,536,275)	(1,503,359)	(11,039,634)	
Change in the ownership interest in subsidiaries	-	-	(6,380)	-	-	-	-	-	-	(6,380)	6,380	-	
Transfer to retained earnings	-	-	-	(45,241)	(759)	-	-	46,769	(769)	-	-	-	
Total comprehensive income (loss)	-	-	-	-	(1,830,460)	(180,291)	(28,781)	303,332	37,350,162	35,613,962	3,699,936	39,313,898	
Balance as at 31 December 2023	72,005,040	20,833,734	(666,074)	14,165,960	5,685,459	121,468	(10,357)	(3,791,313)	294,032,160	402,376,077	18,470,219	420,846,296	

The accompanying notes are an integral part of the financial statements.



(Mr. Lavaron Sangsri)
Chairman



(Mr. Payong Sirvanich)
Chief Executive Officer

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES **STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

For the year ended 31 December 2023

Unit: Thousand Baht

	Separate financial statements					
	Issued and fully paid-up share capital	Premium on share capital	Surplus (deficit) on revaluation of assets	Other components of equity	Gains (losses) from translating the financial statements	Retained earnings
				Surplus (deficit) on revaluation of investments	Hedge reserve (Note 8.5.2)	Total
Balance as at 1 January 2022	72,005,040	20,833,734	14,005,413	10,084,234	67,482	331,734,377
Dividends payment (Note 8.25)	-	-	-	-	-	(5,845,142)
Transfer to retained earnings	-	-	(85,130)	(25,502)	-	110,632
Total comprehensive income (loss)	-	-	-	(2,527,617)	234,277	30,120,358
Balance as at 31 December 2022	72,005,040	20,833,734	13,920,283	7,531,115	301,759	356,009,593
Balance as at 1 January 2023	72,005,040	20,833,734	13,920,283	7,531,115	301,759	356,009,593
Dividends payment (Note 8.25)	-	-	-	-	-	(9,536,275)
Transfer to retained earnings	-	-	(45,241)	(759)	-	46,000
Total comprehensive income (loss)	-	-	-	(1,840,808)	(180,291)	33,313,854
Balance as at 31 December 2023	72,005,040	20,833,734	13,875,042	5,689,548	121,468	379,787,172

The accompanying notes are an integral part of the financial statements.



(Mr. Lavaron Sangsri)
Chairman



(Mr. Payong Sirvanich)
Chief Executive Officer

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2023

Unit: Thousand Baht

Cash flows from operating activities

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Profit before income tax	50,223,105	46,282,683	42,535,847	38,633,255
Adjustments to reconcile profit before income tax to net cash received (paid) from operating activities:				
Depreciation and amortisation expenses	6,548,821	6,064,588	4,859,997	4,205,274
Expected credit losses	37,085,423	24,337,556	31,098,112	19,697,098
Share of profit from investments accounted for under equity method	(1,353,456)	(1,094,766)	-	-
(Gains) losses on disposal of assets	155,521	(3,495)	23,674	(7,216)
Gains on disposal of investments	(195,110)	(238,790)	(192,730)	(238,790)
Unrealised (gains) losses on financial instruments measured at fair value through profit or loss	1,013,126	(729,539)	1,012,767	(729,964)
Losses on impairment of properties for sale	4,549,407	1,312,867	4,620,875	1,289,099
(Reversal) losses on impairment of investments	-	-	36,643	(133,394)
(Reversal) losses on impairment of premises and equipment	84,984	(1,127)	84,984	(1,127)
Losses on impairment of intangible assets	1,249,693	-	1,124,098	-
Losses on impairment of other assets	447,657	48,836	439,744	23,900
Amortisation of premium on investments	323,541	2,854,404	339,153	347,404
Losses on foreign currency translation	135,132	1,303,504	135,490	1,303,504
Increase in provisions	2,014,648	580,629	1,763,799	368,711
(Increase) decrease in other accrued income	484,587	(64,051)	452,459	(317,792)
Increase (decrease) in other accrued expenses	713,031	2,731,759	(201,581)	3,475,618
	103,480,110	83,385,058	88,133,331	67,915,580
Net interest income	(113,419,341)	(90,404,651)	(99,124,245)	(76,646,124)
Dividend income	(319,473)	(351,737)	(3,255,641)	(3,336,631)
Proceeds from interest income	143,691,586	108,439,079	128,045,308	93,467,210
Cash paid on interest expenses	(34,364,857)	(22,919,883)	(33,000,516)	(21,617,825)
Proceeds from dividend income	885,563	976,249	3,255,658	3,336,428
Cash refunded for income tax	15,986	47,239	15,986	32,609
Cash paid on income tax	(9,430,069)	(7,929,260)	(7,979,445)	(5,835,611)
Income from operating activities before changes in operating assets and liabilities	90,539,505	71,242,094	76,090,436	57,315,636

The accompanying notes are an integral part of the financial statements.



(Mr. Lavaron Sangsrit)
Chairman



(Mr. Payong Srivanich)
Chief Executive Officer

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2023

Unit: Thousand Baht

Cash flows from operating activities (continued)

(Increase) decrease in operating assets

Interbank and money market items	(150,383,913)	(82,428,066)	(150,651,234)	(81,827,015)
Financial assets measured at fair value through profit or loss	7,419,820	(15,764,466)	7,419,820	(15,495,923)
Derivatives assets	(2,706,053)	3,538,475	(2,706,053)	3,538,475
Loans to customers	(12,298,557)	11,042,707	556,655	23,613,445
Properties for sale	2,602,369	2,766,554	2,402,116	2,561,507
Other assets	6,507,783	(13,322,798)	6,187,628	(13,732,197)

Increase (decrease) in operating liabilities

Deposits	58,001,714	(25,408,998)	61,392,592	(25,239,068)
Interbank and money market items	5,496,273	(20,517,357)	3,859,852	(21,177,153)
Liabilities payable on demand	(611,186)	784,607	(611,186)	784,607
Financial liabilities measured at fair value through profit or loss	(2,285,258)	2,285,258	(2,285,258)	2,285,258
Derivatives liabilities	(2,402,395)	(4,374,630)	(2,402,395)	(4,374,630)
Other liabilities	(379,941)	7,021,887	(564,054)	6,301,323

Net cash provided by (used in) operating activities**Cash flows from investing activities**

Purchase of debt and equity securities measured at fair value through other comprehensive income

Proceeds from disposal of debt and equity securities measured at fair value through other comprehensive income

Purchase of debt securities measured at amortised cost

Proceeds from disposal of debt instruments measured at amortised cost

Acquisition of investments in associates

Proceeds from disposal of investments in subsidiary

Purchase of intangible assets

Purchase of land, premises and equipment

Proceeds from disposal of land, premises and equipment

Net cash provided by (used in) investing activities**Cash flows from financing activities**

Proceeds from debt issued and borrowings

Repayments of debt issued and borrowings

Repayments of lease liabilities

Dividend paid for ordinary share

Dividend paid for preferred share

Dividend paid to non-controlling interests

Net cash provided by (used in) financing activities

Gains (losses) from translating the financial statements of foreign operations

Decrease in cash and cash equivalents

Beginning balance of cash and cash equivalents

Ending balance of cash and cash equivalents

Consolidated financial statements		Separate financial statements	
2023	2022	2023	2022
(150,383,913)	(82,428,066)	(150,651,234)	(81,827,015)
7,419,820	(15,764,466)	7,419,820	(15,495,923)
(2,706,053)	3,538,475	(2,706,053)	3,538,475
(12,298,557)	11,042,707	556,655	23,613,445
2,602,369	2,766,554	2,402,116	2,561,507
6,507,783	(13,322,798)	6,187,628	(13,732,197)
58,001,714	(25,408,998)	61,392,592	(25,239,068)
5,496,273	(20,517,357)	3,859,852	(21,177,153)
(611,186)	784,607	(611,186)	784,607
(2,285,258)	2,285,258	(2,285,258)	2,285,258
(2,402,395)	(4,374,630)	(2,402,395)	(4,374,630)
(379,941)	7,021,887	(564,054)	6,301,323
(499,839)	(63,134,733)	(1,311,081)	(65,445,735)
(133,673,322)	(121,333,137)	(133,376,322)	(121,441,137)
146,930,608	180,433,208	146,930,249	180,433,208
(3,360,059)	(2,483,922)	(379,203)	(280,948)
3,107,531	634,608	407,535	635,653
(122,364)	-	(122,364)	-
-	-	12,590	-
(11,836,723)	(3,500,918)	(12,687,899)	(4,029,942)
(2,490,326)	(1,352,618)	(1,888,271)	(579,418)
801	10,475	748	9,353
(1,443,854)	52,407,696	(1,102,937)	54,746,769
22,964,442	51,226,821	17,500,981	41,104,108
(13,756,068)	(32,943,118)	(9,827,568)	(24,604,118)
(2,161,168)	(2,302,671)	(1,669,423)	(1,851,270)
(9,531,674)	(5,841,993)	(9,531,674)	(5,841,993)
(4,601)	(3,149)	(4,601)	(3,149)
(1,503,359)	(1,307,266)	-	-
(3,992,428)	8,828,624	(3,532,285)	8,803,578
(28,781)	(54,734)	(28,781)	(54,734)
(5,964,902)	(1,953,147)	(5,975,084)	(1,950,122)
61,590,792	63,543,939	61,565,118	63,515,240
55,625,890	61,590,792	55,590,034	61,565,118

The accompanying notes are an integral part of the financial statements.



(Mr. Lavaron Sangsnit)
Chairman



(Mr. Payong Srivanich)
Chief Executive Officer

Part 3 Financial Statements

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES TABLE OF CONTENTS FOR NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

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KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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Part 3 Financial Statements

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. General information

Krung Thai Bank Public Company Limited (“the Bank”) is a public company limited registered in Thailand with its head office located at 35 Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok. The Bank engages in commercial banking business and conducts its business through a nationwide branch network and in certain major centers of the world.

2. Basis of preparation of the financial statements

These financial statements are presented in accordance with the Notification of the Bank of Thailand (“BOT”) No. SOR NOR SOR. 21/2561 dated 31 October 2018, regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups, including any other supplementary BOT’s Notifications; and with the regulations of the Stock Exchange of Thailand (“SET”) dated 2 October 2017, regarding the Preparation and Submission of Financial Statements and Report on Financial Position and Results of Business Operations of Listed Companies, B.E. 2560. Moreover, these financial statements are prepared in conformity with financial reporting standards, under the Accounting Act B.E. 2547.

The consolidated financial statements

The consolidated financial statements comprise the financial statements of the Bank and those of its subsidiaries in which the Bank has a controlling interest, after eliminating significant intercompany transactions and balances. The list of 16 subsidiaries is shown in Note 8.7.1 to the consolidated financial statements. The financial statements of the subsidiaries are prepared for the same reporting period as the Bank, using the same significant accounting policies. In cases where there are different accounting policies, the Bank has adjusted the effect of these differences in the consolidated financial statements.

The percentages of shareholdings and investments in the Bank’s subsidiaries and associated companies are shown in Note 8.7 to the consolidated financial statements.

Investments in associated companies are accounted in the consolidated financial statements using the equity method.

The separate financial statements

Investments in subsidiaries and associated companies are accounted for in the separate financial statements using the cost method.

The Bank's financial statements for the year ended 31 December 2023 and 2022 included the accounts of domestic and foreign branches, after eliminating the effects of all interbranch transactions.

The English language financial statements

The financial statements in Thai language are the official statutory financial statements of the Bank. The financial statements in English language have been translated from the Thai language financial statements. In case of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Bank and its subsidiaries have adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Bank and its subsidiaries' financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Bank and its subsidiaries believes that adoption of these amendments will not have any significant impact on the Bank and its subsidiaries' financial statements except for the following standard, which involves changes to key principles, as summarised below.

TAS 12, Income Taxes - International Tax Reform - Pillar Two Model Rules

The amendment requires that entities shall neither recognise nor disclose information about deferred taxes related to Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). This mandatory temporary exemption applies immediately.

The amendment also includes disclosure requirements for affected entities to help users of financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. These disclosure requirements apply for annual reporting periods beginning on or after 1 January 2024, but not for any interim periods ending on or before 31 December 2024.

The management of the Bank and its subsidiaries is currently in the process of assessing the potential exposure to Pillar Two income taxes on the financial statements.

3.3 Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19

The Federation of Accounting Professions announced Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19. Its objectives are to provide temporary relief measures and an alternative for all entities providing assistance to debtors in accordance with guidelines of the BOT. The accounting guidance is applicable for provisions of assistance to such debtors made during the period from 1 January 2022 to 31 December 2023 or until the BOT makes changes.

Under this accounting guidance, the Bank and its subsidiaries may elect to adopt the accounting treatments consistent with the circular of the BOT No. BOT.RPD2.C.802/2564 "Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)". The assistance to debtors can be classified into 2 groups by debt restructuring method as follows:

- For debt restructuring for the purpose of reducing the debt burden of debtors that involves more than just a payment timeline extension, the Bank and its subsidiaries may elect to apply temporary relief measures relating to staging assessment and setting aside of provisions. (Assistance type 1)
- For debt restructuring involving only a payment timeline extension, the Bank and its subsidiaries is required to perform staging assessment and set aside provisions in accordance with the relevant financial reporting standards. (Assistance type 2)

The Bank and its subsidiaries provide both types of assistance to debtors. For assistance type 1, the Bank and its subsidiaries have elected to apply all temporary relief measures under this accounting guidance relating to staging assessment and setting aside of provisions.

The management of the Bank and its subsidiaries have assessed that upon expiration of this accounting guidance, the Bank and its subsidiaries are required to comply with Thai Financial Reporting Standard No. 9. The management of the Bank and its subsidiaries believes that the adoption of such standard will not have any significant impact on the Bank and its subsidiaries' financial statements.

4. Significant accounting policies

4.1 Revenue recognition

Interest income

The Bank and its subsidiaries recognise interest income by using the Effective Interest Rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The effective interest rate is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the effective interest rate.

The Bank and its subsidiaries calculate interest income by applying the effective interest rate to the gross carrying amount of financial assets. When a financial asset becomes credit-impaired, the Bank and its subsidiaries calculate interest income by applying the effective interest rate to the net carrying amount (gross carrying amount net of allowance for expected credit losses) of the financial asset. If the financial asset is no longer credit-impaired, the Bank and its subsidiaries revert to calculating interest income on a gross carrying amount.

For the effective interest rate of financial assets or liabilities referenced with new benchmark rates arising from the interest rate benchmark reform, it is calculated as same as a calculation of effective interest rate for floating rate contracts. The new effective interest rate will be calculated on the first date that the benchmark rate has been changed and effective. This is not considered term modification because it is an adjustment to be economically equivalent such as spread adjustment.

Fee and service income

Unless included in the effective interest rate calculation, the Bank and its subsidiaries recognise fee income on an accrual basis when the service has been provided or upon satisfaction of performance obligations.

Dividend income

Dividend income from investments is recognised when declared.

4.2 Expenses recognition

Interest expenses

Interest expenses on financial liabilities measured at amortised cost are calculated using the Effective Interest Rate method and recognised on an accrual basis.

Fee and service expenses, and other operating expenses

The Bank and its subsidiaries recognise fee and service expenses and other operating expenses on an accrual basis.

4.3 Net gains (losses) from financial instruments measured at fair value through profit or loss

Net gains (losses) from financial instruments measured at fair value through profit or loss consist of gains (losses) on trading and foreign exchange transactions, gains (losses) from changes in the fair value of derivatives and financial assets designated at fair value through profit or loss, gains (losses) from sales of financial assets measured at fair value through profit or loss, and derivatives, and net gains (losses) from hedge accounting. The Bank and its subsidiaries recognise them as income or expenses on the transaction date.

4.4 Cash and Cash Equivalents

Cash and cash equivalents represent cash in hand and cash on collection.

4.5 Derivatives and hedge accounting

Derivatives are initially recorded at fair value at the date on which a derivative contract is entered into (Trade Date) and are classified as trading, except for where they are designated as a part of an effective hedge relationship and classified as hedging derivatives. Derivatives are subsequently measured at fair value. The changes in fair value are recognised as gains (losses) on financial instruments measured at fair value through profit or loss unless hedge accounting is applied. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Hedge accounting

The Bank and its subsidiaries make use of derivatives to manage exposures arising from assets, liabilities, off-balance sheet items, net position or cash flow. Hedging accounting can be applied for hedged items and hedging instruments. Upon meeting specified criteria for hedge accounting, the Bank and its subsidiaries apply hedge accounting for the aforementioned derivatives.

The Bank and its subsidiaries designate certain derivatives as follows:

- Fair value hedges
- Cash flow hedges
- Dynamic hedges

In hedging, the Bank and its subsidiaries take into consideration the relationship between hedging instruments and the hedged items, including the nature of the risk, the objective and strategy for undertaking the hedge as well as the effectiveness of the hedging relationship.

Although there is an interest rate benchmark reform, the Bank and its subsidiaries can continue applying current hedge accounting as there will be a pricing adjustment that will make old and new contract terms economically equivalent. However, the Bank and its subsidiaries amend hedge relationship to reflect new interest rate and amend description of hedged items and hedging instruments.

Fair value hedges

The Bank and its subsidiaries recognise the movement in fair value of the hedged item and of the hedging instrument in profit or loss, except for the hedging transaction of investments in equity securities designated at fair value through other comprehensive income which the movement in fair value will be recognised in the other comprehensive income that will be recognised at fair value movement of the hedged item and of the hedging instrument in other comprehensive income. The cumulative changes in the fair value attributable to the hedged risk of hedged item is made as an adjustment to the carrying value of the hedged assets or liabilities.

The Bank adopts interest rate swap contract and/or interest rate swap option contract to hedge the risk from changes in fair value from interest rate of debt issued and borrowings and/or interbank and money market items (liabilities) and/or loans to customers. The Bank performs hedge effectiveness test by comparing changes in fair value (only a portion of risk being hedged) of hedged items with changes in fair value of hedging instruments. In addition, the Bank has also considered a qualitative approach by comparing the critical terms of significant characteristics such as cash flow, interest rate, and the duration of hedged items and hedging instruments that make perfectly match from the designation date. Causes of ineffectiveness of hedging could be arisen from the differences in cash flow and the differences in duration between hedged duration and hedging instruments.

The Bank adopts foreign currency swap contract and foreign currency forward contract to hedge risk from changes in fair value of foreign exchange rate risk of investments in equity securities designated at fair value through other comprehensive income. The Bank performs hedge effectiveness test by comparing changes in fair value (only a portion of risk being hedged) of hedged items with changes in fair value of hedging instruments by excluding cost of hedging in the effectiveness test. In addition, the Bank has also considered a qualitative approach by comparing the critical terms of significant characteristics such as cash flow, interest rate, and the duration of hedged items and hedging instruments that make perfectly match from the designation date. Causes of ineffectiveness of hedging could be arisen from the differences in cash flow and the differences in duration between hedged items and hedging instruments.

When a hedging instrument expires, is sold, is terminated or is exercised, or when a hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is amortised to profit or loss in the statement of profit or loss and other comprehensive income using effective interest rate. Where the hedged item is derecognised from the statement of financial position, the unamortised fair value adjustment is immediately recognised in profit or loss in the statement of profit or loss and other comprehensive income.

Cash flow hedges

The Bank and its subsidiaries recognise an effective portion of the cumulative changes in the fair value of hedging instrument in the cash flow hedge reserve within equity. The gains or losses relating to the ineffective portion is immediately recognised in profit or loss in the statement of profit or loss and other comprehensive income. The cash flow hedges reserve in equity are transferred to profit or loss in the statement of profit or loss and other comprehensive income in the period(s) in which the hedged item affects the statement of profit or loss and other comprehensive income.

The Bank adopts cross currency interest rate swap contracts to hedge the risk of cash flows from interest rate and foreign exchange rate of investments in debt securities that are not measured at fair value through profit or loss. The Bank performs effectiveness test by comparing changes in fair value between hedged items by creating hypothetical derivative and changes in fair value of hedging instrument by excluding cost of hedging in the effectiveness test. In addition, the Bank has also considered a qualitative approach by comparing critical terms of significant characteristics such as cash flow, interest rate, and the duration of hedged items and hedging instruments that make perfectly match from the transaction date. Causes of ineffectiveness of hedging could be arisen from the differences in cash flow and the differences in duration between hedged items and hedging instruments.

When a hedging instrument expires, is sold, is terminated or is exercised, or when a hedge no longer meets the criteria for hedge accounting, the cash flow hedges reserve in equity at that time remains in equity and is recognised in profit or loss in the statement of profit or loss and other comprehensive income when the forecast transaction is ultimately recognised in the statement of profit or loss and other comprehensive income. When a forecast transaction is no longer expected to occur, the cumulative gains or losses existing in equity at that time is immediately transferred to profit or loss in the statement of profit or loss and other comprehensive income.

Dynamic hedges

The Bank adopts interest rate swap contracts as hedging instruments for dynamic risk management, which is in accordance with the characteristics described in TFRS 9. Therefore, derivatives, which have the purpose of dynamic risk management, are recorded as off-balance items and presented on an accrual method. Interest rate components are presented on an accrual basis, similar to hedged assets or liabilities, that are considered as part of interest income or interest expenses throughout the contract period. Receivables and payables under swap contracts are presented at the net amount in the statement of financial position.

Embedded derivatives

Embedded derivatives are component of hybrid or combined instruments that consist of non-derivative host contracts.

For derivatives embedded in financial assets host contracts, the entire hybrid contract, including all embedded features, are classified in accordance with the Bank's business model and the contractual cash flow characteristics of the financial assets.

For derivatives embedded in financial liabilities host contracts, embedded derivatives will be separated from the host contract and accounted for as derivatives if all of the following criteria are met:

- The economic characteristics and risks are not closely related to the host;
- A separated embedded derivative from the host would meet the definition of a derivative; and
- The hybrid contract is not measured at fair value through profit or loss.

4.6 Financial instruments

Recognition of financial instruments

The Bank and its subsidiaries recognise financial assets or financial liabilities when the Bank and its subsidiaries become a party to the contractual provisions of the financial instruments.

Classification and measurement of financial assets and financial liabilities

Financial assets - debt instruments

The Bank and its subsidiaries classify its financial assets - debt instruments as subsequently measured at amortised cost or fair value in accordance with the Bank's and its subsidiaries' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets as follows:

- Financial assets measured at amortised cost only if both following conditions are met: the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value on trade date and subsequently measured at amortised cost net of allowance for expected credit losses (if any).
- Financial assets measured at fair value through other comprehensive income only if both following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset as well as the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value and subsequently measured at fair value. The unrealised gains or losses from changes in their fair value are reported as a component of shareholders' equity through other comprehensive income until realised, after which such gains or losses on disposal of the instruments will be recognised in profit or loss in the statement of profit or loss and other comprehensive income. The gains or losses on foreign exchange, expected credit losses, and interest income which calculated using the effective interest rate method are recognised in profit or loss in the statement of profit or loss and other comprehensive income.
- Financial assets measured at fair value through profit or loss unless the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows or, the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value and are subsequently measured at fair value. Unrealised gains and losses from changes in fair value, and gains and losses on disposal of instruments are recognised as gains (losses) on financial instruments measured at fair value through profit or loss.

Investments in equity instruments

The Bank and its subsidiaries have classified investments in equity securities that not held for trading but held for strategic purposes or for securities with potential for high market volatility as the financial assets measured at fair value through other comprehensive income, where an irrevocable election has been made by the management. Such classification is determined on an instrument-by-instrument basis. Gains and losses arising from changes in fair value is recognised in other comprehensive income and not subsequently reclassified to profit or loss when disposal, instead, it is transferred to retained earnings. Dividend received on these investments is recognised in profit or loss in the statement of profit or loss and other comprehensive income, except when the dividends clearly represent a recovery of part of the cost of the investments, in which case, it is recognised in other comprehensive income.

Financial liabilities

The Bank and its subsidiaries classify and measure financial liabilities, other than loan commitments and financial guarantee contracts, at amortised cost or fair value through profit or loss when they are held for trading.

Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost.

The Bank and its subsidiaries classify financial liabilities as held for trading when they have been issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held for trading financial liabilities are initially recognised at fair value, with transaction costs recognised in profit or loss in the statement of profit or loss and other comprehensive income as incurred, and subsequently measured at fair value. Unrealised gains and losses from changes in fair value, and realised gains and losses are recognised as gains (losses) on financial instruments measured at fair value through profit or loss.

Modifications of financial instrument not measured at fair value

Financial assets

If the terms of a financial asset are modified, the Bank and its subsidiaries evaluate whether the cash flows of the modified financial asset are different from the original financial assets significantly. The original financial asset is derecognised and a new financial asset is recognised at fair value. The difference between the carrying amount of the financial asset extinguished and the new financial asset is recognised in profit or loss as a part of expected credit losses.

If the cash flows of the modified financial asset are not substantially different, the Bank and its subsidiaries recalculate the gross carrying amount of the financial asset and recognise the amount arising from adjusting the gross carrying amount as a modification gains or losses in profit or loss which is presented as expected credit losses.

Financial liabilities

The Bank and its subsidiaries derecognise a financial liability when its terms are modified, and the cash flows of the modified financial liability are substantially different. A new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability is recognised in profit or loss.

If the cash flows of the modified financial liability are not substantially different, the Bank and its subsidiaries adjust the carrying amount of the financial liability to reflect the net present value of the revised cash flows discounted at the original effective interest rate and recognises the amount arising from adjusting the carrying amount as a modification gains or losses.

Derecognition of financial instruments

The Bank and its subsidiaries derecognise a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created or retained by the Bank and its subsidiaries, are recognised separately as asset or liability.

A financial liability is derecognised from the statement of financial position when the Bank and its subsidiaries have discharged its obligation, or the contract is cancelled or expires.

Write-off

Debts that are determined to be irrecoverable are written off (either partially or in full) in the period in which the decision is taken. This is generally the case when the Bank and its subsidiaries determine that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off are still subject to enforcement activities in order to comply with the Bank's and its subsidiaries' procedures for recovery of amount due.

4.7 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies in the separate financial statements are accounted for under the cost method net of allowance for impairment (if any). Losses on impairment is recognised as expenses in profit or loss in the statements of profit or loss and other comprehensive income.

Investments in associated companies in the consolidated financial statements are accounted for under the equity method. Under this method, investments are initially recorded at acquisition cost and are adjusted to reflect the attributable shares of the operations result of the associated companies, in proportion to the investment.

4.8 Allowance for expected credit losses on financial assets

The Bank and its subsidiaries recognise expected credit losses of financial assets - debt instruments which are interbank and money market items (assets), loans to customers and investments in debt securities, together with loan commitments and financial guarantee contracts, which are measured at amortised cost or fair value through other comprehensive income using the General Approach. The Bank and its subsidiaries classify their financial assets into three stages based on the changes in credit risk since initial recognition as follows:

Stage 1: Financial assets where there has not been a significant increase in credit risk (Performing)

For credit exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the Bank and its subsidiaries recognise allowance for expected credit losses at the amount equal to the expected credit losses in the next 12 months. The Bank and its subsidiaries will use a probability of default that corresponds to remaining maturity for financial assets with a remaining maturity of less than 12 months.

Stage 2: Financial assets where there has been a significant increase in credit risk (Under-Performing)

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, the Bank and its subsidiaries recognise allowance for expected credit losses at the amount equal to the lifetime expected credit losses of financial assets.

Stage 3: Financial assets that are credit-impaired (Non-Performing)

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit-impaired, the Bank and its subsidiaries recognise allowance for expected credit losses at the amount equal to the lifetime expected credit losses of financial assets.

At every reporting date, the Bank and its subsidiaries assess whether there has been a significant increase in credit risk of financial assets since initial recognition by comparing the risk of default over the expected lifetime at the reporting date with the credit risk at the date of initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Bank and its subsidiaries use internal quantitative and qualitative indicators, and forecasts information to assess the deterioration in credit quality of financial assets such as arrears of over 30 days past due, forbearance status for debt restructuring agreements, loans on the Early warning sign, loans that are classified as High Risk group and that are closely monitored by management, a changes of internal credit rating of the borrower since initial recognition, and issuer credit rating as either 'non-investment grade' or 'no rating' for investments in debt securities, etc.

The Bank and its subsidiaries assess whether the credit risk has increased significantly from the date of initial recognition on an individual or collective basis. In order to perform collective evaluation of impairment, the Bank and its subsidiaries classify financial assets on the basis of shared credit risk characteristics, taking into account type of instrument, internal credit ratings, overdue status, and other relevant factors.

Financial assets are assessed to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the counterparties have occurred. Evidence of credit-impaired financial assets includes arrears of over 90 days past due or having indications that the borrower is experiencing significant financial difficulty, a breach of contract, bankruptcy or distressed restructuring.

A loan to customer that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be significant increase in credit risk or credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

The Bank and its subsidiaries consider their historical loss experience, adjusts with the current observable data and add on the reasonable and supportable forecasts of future economic conditions, including appropriate use of judgement, to estimate the amount of an expected credit losses. The Bank and its subsidiaries determine both current and future economic scenario, and probability-weighted in each scenario (base scenario, upturn scenario and downturn scenario) for calculating expected credit losses. The use of macroeconomic factors which major are include, but is not limited to, unemployment rate and property price index, etc. The Bank and its subsidiaries have established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on a yearly basis.

In the case of investments in debt securities measured at fair value through other comprehensive income, the Bank and its subsidiaries recognise impairment charged in profit and loss as expected credit losses and the corresponding allowance for expected credit losses in other comprehensive income, whereas the carrying amount of the investments in debt securities in the statement of financial position still present at fair value.

The measurement of expected credit losses for loan commitments is the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank and its subsidiaries expect to receive. The measurement of expected credit losses for financial guarantees is based on the expected payments to reimburse the holder less any amounts that the Bank and its subsidiaries expect to recover.

In addition, a subsidiary of the Bank recognises allowance for expected credit losses of finance lease receivables using Simplified Approach. The subsidiary recognises allowance for expected credit losses at an amount equal to lifetime expected credit losses.

Increase (decrease) in an allowance for expected credit losses is recognised as expenses during the year in profit or loss in the statement of profit or loss and other comprehensive income.

4.9 Trouble debt restructuring

Debt restructuring of non-performing loans (Stage 3) is considered a troubled debt restructuring regardless of whether losses are incurred from the restructuring in accordance with the BOT's guideline of debt restructuring. The Bank and its subsidiaries determine the present value of the expected future cash flows to be received based on the terms of the new debt restructuring agreement, discounted by the loan's original effective interest rate. The difference between the outstanding loan balance and the present value of the expected future cash flows is recognised under gains (losses) on term modifications of contracts and treated as expected credit losses in profit or loss on the debt restructuring date.

Regarding troubled debt restructuring debtors impacted by the COVID-19 pandemic that the Bank provides assistance in accordance with guidelines of the BOT guidance (sustainable debt resolution) which is applicable for provisions of assistance to such debtors made during the period from 1 January 2022 to 31 December 2023 or until the BOT makes changes. The Bank and its subsidiaries may elect to apply temporary relief measures relating to staging assessment and setting aside of provisions. (Assistance type 1) as follows:

- Non-NPL modified loans (pre-emptive restructures) can be classified as loans where there has not been a significant increase in credit risk (Performing) immediately, provided that analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement.
- NPL modified loans that are considered to be troubled debt restructuring can be classified as loans where there has not been a significant increase in credit risk (Performing) if the debtor is able to make repayment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period.
- Used the new effective interest rate to calculate the present value of the restructured loan. If the debt restructuring results in the original effective interest rate not reflecting the expected cash flows from the loan.

In addition, the Bank continues to closely monitor the debtors payment ability and has considered additional expected credit losses (ECLs) through Management Overlay to cover the current expectation of the possible impact of the economic situation on the loans to customers.

4.10 Properties for sale

Properties for sale is stated at the lower of cost or net realisable value, which is determined with reference to the latest appraisal value less estimated selling expenses, adjusts these in accordance with the BOT's guideline and taking into consideration the type and the nature of the assets. The Bank recognises losses on impairment as other operating expenses in profit or loss in the statement of profit or loss and other comprehensive income. Net gains or losses on disposals of those properties for sale after deducting selling expenses are recognised as other operating income in profit or loss in the statement of profit or loss and other comprehensive income, except for sales that allow buyer to borrow money which gains or losses on disposals will be recognised in accordance with the BOT's guideline.

According to the BOT's policy No.SOR NOR SOR.5/2565, regarding Immovable properties for sale and no. SOR NOR SOR.4/2564, regarding the Measures to support the receiving of transferred collateral assets for debt repayment under Royal Decree for providing assistance and rehabilitation of business entrepreneurs affected by the coronavirus disease 2019 outbreak in Classification 2 No.4.5 Principle to Foreclosed Properties and No.THOR POR THOR.PHOR NOR SOR.(23) WOR.575/2562 dated 8 May 2019, regarding Delivery Policy of Appraisal Guarantee and Properties for Sale acquired through Debt Repayment, Loan Collateral or Public Auction of Financial Institutions, all properties for sale are appraised by the external appraisers. Except for properties for sale in risk areas in the southern region (Pattani, Yala, Narathiwat and Sadao District of Songkhla) with a book value of less than Baht 50 million, appraised by an internal appraiser or an external appraiser on a case-by-case basis.

4.11 Land, premises and equipment and depreciation

Land is presented at revalued amount. Premises and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). Land is revalued on a 5-year basis by independent appraisers in accordance with the BOT's regulations so that the book value at the end of the reporting period is not significantly different from fair value.

The Bank and its subsidiaries recognise the differences arising from the revaluation as follows:

- When an asset's carrying amount is increased as a result of the revaluation, the increase is credited directly to other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". However, the revaluation increase is recognised as income to the extent that it reverses the revaluation decrease in respect of the same asset previously recognised as an expense.

- When an asset's carrying amount is decreased as a result of the revaluation, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to other comprehensive income to the extent that it does not exceed the amount already held in "Surplus on revaluation of assets" in respect of the same asset.

The Bank and its subsidiaries write-off assets with additional appraisal when disposal or expected no future economic benefits from the use or disposal assets. The surplus from the revaluation of assets outstanding at the write-off date is transferred directly to retained earnings.

Depreciation of premises is calculated on the straight-line basis over their useful lives. Since 1 April 2012, depreciation of premises is calculated on the straight-line basis over their residual useful lives not over 50 years which appraised by independent appraisers. Before 1 April 2012, depreciation of premises is calculated on the straight-line basis over their useful lives of 20 years.

Depreciation of equipment is calculated on the straight-line basis over their useful lives of 5 years. Equipment with an acquisition cost not exceeding Baht 3,000 is charged directly to expense in the period of acquisition. The amounts of those transactions have no significant effect to financial statements.

Depreciation method, useful lives, and residual value are annually reviewed.

No depreciation is provided on assets under installation.

4.12 Intangible assets

Intangible assets, comprising computer software, licenses and development costs are presented at cost net accumulated amortisation and allowance for impairment (if any).

For internally generated intangible assets, the Bank and its subsidiaries classify the generation of the asset into a research phase and a development phase. The Bank and its subsidiaries recognise expenditure on the research phase as an expense in profit or loss when it is incurred and recognise expenditure on the development phase as intangible assets when it meets all the recognition criteria.

The Bank and its subsidiaries amortise intangible assets with finite lives by the straight-line basis over their economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The Bank and its subsidiaries will review amortisation period and the amortisation method of such intangible assets at least at each financial year end. Amortisation is recognised as an expense in the statement of profit or loss and other comprehensive income.

The intangible assets with finite useful lives have useful lives of approximately 3 - 10 years.

No amortisation for computer software under development.

4.13 Leases

At inception of contract, the Bank and its subsidiaries assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Bank and its subsidiaries as lessees

The Bank and its subsidiaries apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e., the date the underlying asset is available for use), the Bank and its subsidiaries recognise right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets include the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets is calculated by reference to their costs, on the straight-line basis over the shorter of the lease term and the estimated useful lives as follows:

Premises	1 - 35	years
Equipment	2 - 5	years
Vehicles	1 - 5	years

If the ownership of the leased asset transfers to the Bank and its subsidiaries at the end of the lease term or the cost of such assets reflect the exercise of a purchase option, depreciation is calculated using the estimated useful lives of assets.

The Bank and its subsidiaries have to assess the impairment of right-of-use assets as mentioned in Note 4.15 to the consolidated financial statements regarding Impairment of non-financial assets.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Bank and its subsidiaries and payments of penalties for terminating the lease if the lease term reflects the Bank and its subsidiaries exercising an option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Bank and its subsidiaries discount the present value of the lease payments by the interest rate implicit in the lease or the Bank and its subsidiaries's 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 change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Bank and its subsidiaries as lessors

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. The Bank and its subsidiaries recognise lease receivables from operating leases as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.14 Securities purchased under resale agreements/securities sold under repurchase agreements

The Bank enters into agreements with private entities to purchase/sell securities whereby there is an agreement to resell/repurchase the securities at certain dates and at fixed price. Amounts paid for the securities purchased under resale agreement are presented as assets under the caption of interbank and money market items or loans to customers, depending on the counterparty, and the underlying securities are treated as collateral to such receivables. The securities sold under repurchase agreement at the amounts received are presented as liabilities under the caption of interbank and money market items in the statement of financial position and the underlying securities are treated as collateral.

4.15 Impairment of non-financial assets

For outstanding balances of assets at each reporting date, the Bank and its subsidiaries review the impairment of assets by items when there is an indication that the book value of those assets is higher than the expected recoverable amounts. As such, losses on impairment will be realised as other operating expenses. The reversal of losses on impairment will be recorded only when there is an indication that such impairment no longer exists or shown at a declining balance, if any, and reversed to other operating income in profit or loss. Except for the case that reversal of the revalued increased of the same assets that used to be recognised in equity, when impairment occurred latterly it will be recognised in equity.

4.16 Related party transactions

Related parties comprise persons or entities that control, or are controlled by, the Bank and its subsidiaries, whether directly or indirectly, or which are under common control with the Bank and its subsidiaries.

They also include associated companies and persons or entities which directly or indirectly own a voting interest in the Bank and its subsidiaries that give them significant influence over the Bank and its subsidiaries, key management personnel, and directors or officers with authority in the planning and direction of the Bank's and its subsidiaries' operations.

4.17 Foreign currency translation

Presentation currency

The consolidated and the separate financial statements are presented in Baht.

Foreign currency translation

Items denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the transaction dates. Balances of monetary assets and liabilities dominated in foreign currencies as at the end of reporting date are translated by using the reference exchange rates of the BOT as at the end of reporting date. Balances of non-monetary assets and liabilities are translated by using the exchange rates prevailing at the transaction dates or exchange rates at the date when the fair value was measured.

Gains or losses on foreign currency translation are presented in profit or loss in the statements of profit or loss and other comprehensive income as gains (losses) on financial instruments measured at fair value through profit or loss.

Foreign currency translation of foreign branches' financial statements

Items on the foreign branches' statements of financial position are translated into Baht by using the reference exchange rates of the BOT as at the reporting date. The statements of profit or loss and other comprehensive income are translated into Baht by using the exchange rate prevailing at the transaction dates or average exchange rates of that accounting period.

Gains or losses on translation of foreign branches' financial statements are presented in equity through other comprehensive income.

4.18 Structured notes

Structured notes are hybrid instruments, which consist of borrowing (Host Contract) transaction and an embedded derivative. The Bank recognised host contract as "Debt issued and borrowings" in the statement of financial position and measured at amortised cost. Embedded derivatives recognised as "Derivatives" in the statement of financial position and will be separated from the host contract and accounted for as derivatives if all of the following criteria are met:

1. The economic characteristics and risks are not closely related to the host;
2. A separated embedded derivative from the host would meet the definition of derivative; and
3. The hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are subsequently measured at fair value. The changes in fair value are recognised as gains (losses) on financial instruments measured at fair value through profit or loss.

In the case that a derivative embedded within a structured notes containing a financial liabilities host is not accounted for separately both at the transaction date or at the end of reporting date, the entire structured notes are measured at fair value through profit or loss.

4.19 Employees Benefits

Short-term employee benefits

The Bank and its subsidiaries recognise short-term employee benefits such as salary, wages, bonuses and contributions to the social security fund as expenses when received the services.

Post-employment benefits

Employees provident fund

The Bank establishes a provident fund under the Provident Fund Act B.E. 2530 and entered to the registered fund approved by the Ministry of Finance in 25 June 1992. The Provident Fund is managed by an external fund manager.

Permanent employees and employees under employment contracts of the Bank are entitled to apply for membership according to the registered KTB Provident Fund regulations. Employees could opt to contribute to the Fund at the rate of either 3, 6, 10, 12 or 15 percent of their basic salaries while the Bank's supplemental contribution is at 6 - 10 percent of each employees' basic salary.

Post-employment benefits under defined benefit plans

The Bank and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law and other long-term employee benefit plans. The Bank and its subsidiaries treat these severance payment obligations as defined benefit plans.

The obligation under the defined benefit plan and other long-term employee benefit plans are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses for defined benefit plan are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the entity recognises restructuring-related costs.

4.20 Provisions

Provisions are recognised when the Bank and its subsidiaries have present legal or constructive obligations as a result of a past event, they are probable that an outflow of economic benefits will be required to settle the obligation, and the reliable estimate of the amounts can be made.

The Bank complies with the BOT's Notification No. SOR NOR SOR. 23/2561 dated 31 October 2018, regarding Regulations on Assets Classification and Provision of Financial Institutions prescribed regulations to set aside provisions for commitment which is off-balance item.

4.21 Income tax

Income tax expense represents the sum of current income tax and deferred tax.

Current income tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Bank and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Bank and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Bank and its subsidiaries record deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

Deferred income tax assets and deferred income tax liabilities must offset the transaction when the Bank has legal rights to offset current tax assets against current tax liabilities and this income tax is assessed by the same tax authority for the same tax unit.

4.22 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary equity holders of the Bank after dividends on preferred share (if any) by the weighted average number of ordinary shares issued during the year.

4.23 Customer loyalty programmes

Subsidiary has customer loyalty programmes by offering reward points to customers together with services entitling customers to redeem those reward points to gifts or discount in the future. The Bank's subsidiaries also allocate rewards or accrued rewards to the points by referring from fair value of accumulated points. Then, they are recognised to deferred revenue under "other liabilities" in the statements of financial position and shall be recognised to fees and service income when customers redeem.

4.24 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Bank and its subsidiaries have considered fair value of individual financial instrument. Fair value of financial instruments is quoted prices (unadjusted) for similar assets or liabilities in active markets that the Bank and its subsidiaries are able to access. In case of there is no quoted prices in active markets, the Bank and its subsidiaries will use general accepted valuation technique by maximising observable inputs and minimising unobservable inputs in commonly used models or the Bank's models. Those models are approved by the management and also regularly reviewed and updated.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices for such assets or liabilities in an active market
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs for such assets or liabilities

At the end of each reporting period, the Bank and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with Thai Financial Reporting Standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

5.1 Recognition and derecognition assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

5.2 Consolidating the financial statements of subsidiaries in which the Bank has less than half of its shareholding

The Bank's management considers that the Bank has control over Krungthai Card Public Company Limited, although the Bank holds 49.29 percent of the shares and voting rights in such company, which is less than half. The Bank is the shareholder with a majority of votes and can dictate the important activities of the company and other shareholders are only minor shareholders. Therefore, Krungthai Card Public Company Limited is considered as a subsidiary of the Bank and must be included in the preparation of the consolidated financial statements from the date the Bank has control over such company.

5.3 Allowance for expected credit losses of loans to customers and accrued interest receivables, together with loan commitments and financial guarantee contracts

The management is required to use judgement in estimation in determining the allowance for expected credit losses of loans to customers and accrued interest receivables, together with loan commitments and financial guarantee contracts. The calculation of allowance for expected credit losses of the Bank and its subsidiaries are based on the criteria of assessing if there has been a significant increase in credit risk, the development of complex expected credit losses model with a series of underlying assumptions, including the choice of inputs the forecasted macroeconomic variables in the model. This estimation has various relevant factors; therefore, the actual results may differ from estimates.

5.4 Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk of counterparty, liquidity, correlation and longer-term volatility of financial instruments. Changes in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

5.5 Allowance for impairment of properties for sale

The Bank and its subsidiaries assess allowance for impairment of properties for sale when net realisable value falls below the book value. The management uses the BOT's regulation and judgement to estimate impairment losses, taking into consideration the latest appraisal value, the type and the nature of the assets.

5.6 Land, premises and equipment and depreciation

In determining depreciation of premises and equipment, the management is required to make estimates of the useful lives and salvage values of the premises and equipment, and to review these estimated useful lives and salvage values when there are any changes.

The Bank measures land at revalued amounts. Such amounts are determined by the independent appraisers, using the market approach. The valuation involves certain assumptions and estimates as described in Note 8.11 to the consolidated financial statements.

In addition, the Bank and its subsidiaries determine allowance for impairment of land, premises and equipment when the management assesses whether there are indicators of the impairment of land, premises and equipment, and record impairment losses when the recoverable amounts are lower than the carrying amounts. This requires management judgements in terms of forecasting future revenues and expenses relating to the assets subject to the review.

5.7 Leases

The Bank and its subsidiaries as lessees

Determining the lease term with extension and termination options

In determining the lease term, the management is required to exercise judgement in assessing whether the Bank and its subsidiaries are reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Bank and its subsidiaries to exercise either the extension or termination option.

Estimating the incremental borrowing rate

The Bank and its subsidiaries cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Bank and its subsidiaries would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Bank and its subsidiaries as lessors

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

5.8 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which the temporary differences and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits.

5.9 Post-employment benefits under defined benefit plans

Obligations under the defined benefit plan are determined by using actuarial technique. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, and mortality rate etc. based on their best knowledge of current situation.

5.10 Litigation and contingent liabilities

The Bank and its subsidiaries have contingent liabilities as a result of litigation. The management has used judgement to assess of the results of such transactions, and in case where they believe that there will be no losses, no provisions are recorded at the end of reporting date.

6. Risk management

Credit risk

Credit risk is the risk that a counterparty or a borrower fails to comply with conditions and covenants stated in the agreement or has the deterioration in assets' quality resulting in non-repayment full amount of debt per the agreement which was affect over the Bank's income and capital. The allowance for expected credit losses net under the assets on the statements of financial position, represented the Bank's credit risk exposure.

The Bank concerns about the contingent credit risk at all times. The Bank also inputs economic and business from the research in loan portfolio management, including set the Industry Direction, Stress Testing and Industry Indicators in order to monitor and manage over all loan portfolio efficiently. The Bank continually evaluates and follows up both inside and outside country situation in order to assess the risk that may impact on solvency of the debtors and the Bank's loan portfolio.

The Bank focuses on a credit expansion to both existing and new customers with high potentiality and high yield. The Bank highly concentrates on customer evaluation, business potential, ability to repay debt, and obvious objective of loan purpose. The Bank develops not only risk management tool to rank credit rating in order to be an element to estimate risk of large and middle size of loans, but also develops Credit Scoring tool in order to consider retail loan debtors including the Early Warning System that notices credit departments and set the loan policy guideline to prevent debtors becoming NPLs. Moreover, the Bank also has regularly improved credit risk management by reviewing/revising credit policies and other policies related to the credit risk management for the purpose of complying with economic situation and the Bank's business operation as well as being in consonant with risk management guidance prescribed by the BOT. The credit risk management policies and guidelines are reviewed/improved at least once a year in order to match with current situation.

The Bank focuses on providing loans to borrowers who value business operations with social responsibility, environment and good governance, including various risk management to lead to sustainable development.

The Bank manages credit risk management of the companies in financial business group under the supervision of BOT's regulations. The credit risk management policies and guidelines of those companies are also reviewed/improved on a yearly basis and/or when significantly changed event occurs and affects credit risk management.

The Bank monitors and reports risk management results of the Bank and its financial business group with the intention to control credit risk to be in compliance with the Bank's risk management plan, the BOT's supervision policy in credit risk and other regulators' rules. The risk management results reports are normally submitted to the Risk Oversight Committee on a monthly basis and reports to the Audit Committee and the Board of Directors on a quarterly basis.

To follow up and manage the quality of credit, the Bank closely monitors the customers whose credits are approved in order to ensure that they are in comply with the terms and conditions of loan agreements by carrying out NPLs reduction project. The watch list debtors with weak performance will be monitored and controlled to prevent such loans becomes NPLs. However, in case those debtors become NPLs, the measure for debt restructuring shall be set up together with legal process. With this regard, the NPLs reduction project shall help stipulating the implementation plan to become clearer and more effective for the NPLs problem solving. Thus, the regular progress shall be reported regularly in order to expedite debt repayment with minimum loss.

In assessing the adequacy of provision as prescribed by the BOT, the Bank is required to examine the accuracy and completeness of loan classification, debt-restructuring and collateral data such as type and value of collateral. Such associated data potentially has significant impacts on the allowance for expected credit losses of the Bank.

According to assets written-off, the Bank has policy to write-off any assets with 100 percent allowance for expected credit losses; however, the Bank still closely follow up uncollectible amounts or taken legal proceedings to the final action.

The credit review is established to ensure the compliance with standard operation procedures in relation to credit approval and debt restructuring. In addition, the qualitative assessment for loan and other related assets are conducted for staging assessment and setting aside of provisions as prescribed by the BOT.

The maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for recognised and unrecognised financial instruments. The maximum exposure is shown gross carrying amounts prior to both collateral consideration and any actions to increase assurance as:

- For financial assets recognised on the statement of financial position, the maximum exposure to credit risk equals their gross carrying amounts before deducting allowance for expected credit losses.
- For financial guarantees contracts, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay when the guarantees are called upon.
- For loan commitments that are irrevocable over the life of the respective facilities, the maximum exposure to credit risk is the full amount of the committed facilities.

As at 31 December 2023 and 2022, the maximum exposure to credit risk are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Interbank and money market items (assets)	704,139	553,848	703,418	552,862
Investments in debt securities measured at amortised cost	1,256	988	258	287
Investments in debt securities measured at fair value through other comprehensive income	246,760	258,350	247,653	259,553
Loans to customers and accrued interest receivables	2,599,418	2,618,210	2,500,445	2,527,111
Accrued interest receivables of non-loans to customers	1,293	891	1,293	891
Total financial assets	3,552,866	3,432,287	3,453,067	3,340,704
Loan commitments	1,086,973	1,227,622	1,086,973	1,227,622
Financial guarantee contracts	53,456	78,282	53,456	78,282
Total	1,140,429	1,305,904	1,140,429	1,305,904
Total maximum exposure to credit risk	4,693,295	4,738,191	4,593,496	4,646,608

Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will not be able to comply its contractual obligations resulting in a financial loss to the Bank. The Bank has adopted the policy to prevent this risk by performing credit analysis from customers' information and follow-up on customer status consistently.

The table below shows the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets are gross carrying amount (before deducting allowance for expected credit losses). For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Explanation of 12-month expected credit losses, lifetime expected credit losses - not credit impaired, and lifetime expected credit losses - credit impaired are included in Note 4.8 to the consolidated financial statements.

(Unit: Million Baht)

Consolidated financial statements				
31 December 2023				
Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	Total
Interbank and money market items (assets)				
Investment grade	44,518	367	-	44,885
Non-investment grade	-	2,170	-	2,170
Not yet due	656,738	336	-	657,074
Overdue 1 - 30 days	10	-	-	10
Total	701,266	2,873	-	704,139
Less Allowance for expected credit losses	(2,927)	(51)	-	(2,978)
Net book value	698,339	2,822	-	701,161
Investments in debt securities measured at amortised cost				
Investment grade	1,154	-	-	1,154
Non-investment grade	-	66	36	102
Total	1,154	66	36	1,256
Less Allowance for expected credit losses	-	(2)	(36)	(38)
Net book value	1,154	64	-	1,218

(Unit: Million Baht)

	Consolidated financial statements				
	31 December 2023				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	Total
Investments in debt securities measured at fair value through other comprehensive income					
Investment grade	246,760	-	-	-	246,760
Total	246,760	-	-	-	246,760
Allowance for expected credit losses	(19)	-	(926)	-	(945)
Loans to customers and accrued interest receivables - net					
Not yet due	1,818,243	152,393	19,569	1,426	1,991,631
Overdue 1 - 30 days	475,909	29,308	3,251	409	508,877
Overdue 31 - 60 days	-	13,463	2,097	494	16,054
Overdue 61 - 90 days	-	4,989	879	296	6,164
More than 90 days	1,363	1,766	72,999	564	76,692
Total	2,295,515	201,919	98,795	3,189	2,599,418
<u>Less</u> Allowance for expected credit losses	(47,237)	(56,906)	(68,348)	(832)	(173,323)
Net book value	2,248,278	145,013	30,447	2,357	2,426,095
Loan commitments					
Loan commitments	988,604	94,091	4,278	-	1,086,973
<u>Less</u> Allowance for expected credit losses	(1,114)	(1,853)	(462)	-	(3,429)
Net book value	987,490	92,238	3,816	-	1,083,544
Financial guarantee contracts					
Financial guarantee contracts	47,415	5,765	276	-	53,456
<u>Less</u> Allowance for expected credit losses	(98)	(352)	(17)	-	(467)
Net book value	47,317	5,413	259	-	52,989

(Unit: Million Baht)

	Consolidated financial statements				
	31 December 2022				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	Total
Interbank and money market items (assets)					
Investment grade	40,914	232	-	-	41,146
Non-investment grade	-	2,222	-	-	2,222
Not yet due	510,476	-	-	-	510,476
Overdue 31 - 60 days	-	4	-	-	4
Total	551,390	2,458	-	-	553,848
<u>Less</u> Allowance for expected credit losses	(2,853)	(54)	-	-	(2,907)
Net book value	548,537	2,404	-	-	550,941
Investments in debt securities measured at amortised cost					
Investment grade	856	-	-	-	856
Non-investment grade	-	96	36	-	132
Total	856	96	36	-	988
<u>Less</u> Allowance for expected credit losses	-	(2)	(36)	-	(38)
Net book value	856	94	-	-	950
Investments in debt securities measured at fair value through other comprehensive income					
Investment grade	258,350	-	-	-	258,350
Total	258,350	-	-	-	258,350
Allowance for expected credit losses	(19)	-	(926)	-	(945)
Loans to customers and accrued interest receivables - net					
Not yet due	1,841,461	177,032	13,952	1,598	2,034,043
Overdue 1 - 30 days	446,957	25,715	3,325	412	476,409
Overdue 31 - 60 days	-	9,548	2,411	171	12,130
Overdue 61 - 90 days	-	3,877	1,816	49	5,742
More than 90 days	1,089	1,350	87,228	219	89,886
Total	2,289,507	217,522	108,732	2,449	2,618,210
<u>Less</u> Allowance for expected credit losses	(44,720)	(52,526)	(76,508)	(624)	(174,378)
Net book value	2,244,787	164,996	32,224	1,825	2,443,832

(Unit: Million Baht)

Consolidated financial statements					
31 December 2022					
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	Total
Loan commitments					
Loan commitments	1,102,812	116,071	8,739	-	1,227,622
<u>Less</u> Allowance for expected credit losses	(1,375)	(1,962)	(698)	-	(4,035)
Net book value	<u>1,101,437</u>	<u>114,109</u>	<u>8,041</u>	<u>-</u>	<u>1,223,587</u>
Financial guarantee contracts					
Financial guarantee contracts	74,839	3,135	308	-	78,282
<u>Less</u> Allowance for expected credit losses	(143)	(127)	(47)	-	(317)
Net book value	<u>74,696</u>	<u>3,008</u>	<u>261</u>	<u>-</u>	<u>77,965</u>

(Unit: Million Baht)

	Separate financial statements			
	31 December 2023			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items (assets)				
Investment grade	43,797	367	-	44,164
Non-investment grade	-	2,170	-	2,170
Not yet due	656,738	336	-	657,074
Overdue 1 - 30 days	10	-	-	10
Total	700,545	2,873	-	703,418
<u>Less</u> Allowance for expected credit losses	(2,927)	(51)	-	(2,978)
Net book value	697,618	2,822	-	700,440

(Unit: Million Baht)

Separate financial statements			
31 December 2023			
Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Investments in debt securities measured at amortised cost			
Investment grade	156	-	156
Non-investment grade	-	66	102
Total	156	66	258
<u>Less</u> Allowance for expected credit losses	-	(2)	(38)
Net book value	156	64	220
Investments in debt securities measured at fair value through other comprehensive income			
Investment grade	247,653	-	247,653
Total	247,653	-	247,653
Allowance for expected credit losses	(19)	-	(945)
Loans to customers and accrued interest receivables - net			
Not yet due	1,740,101	143,752	1,903,422
Overdue 1 - 30 days	474,708	27,750	505,709
Overdue 31 - 60 days	-	12,549	14,646
Overdue 61 - 90 days	-	4,671	5,550
More than 90 days	-	-	71,118
Total	2,214,809	188,722	2,500,445
<u>Less</u> Allowance for expected credit losses	(42,963)	(53,686)	(163,746)
Net book value	2,171,846	135,036	2,336,699
Loan commitments			
Loan commitments	988,604	94,091	1,086,973
<u>Less</u> Allowance for expected credit losses	(1,114)	(1,853)	(3,429)
Net book value	987,490	92,238	1,083,544
Financial guarantee contracts			
Financial guarantee contracts	47,415	5,765	53,456
<u>Less</u> Allowance for expected credit losses	(98)	(352)	(467)
Net book value	47,317	5,413	52,989

(Unit: Million Baht)

Separate financial statements				
31 December 2022				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items (assets)				
Investment grade	39,928	232	-	40,160
Non-investment grade	-	2,222	-	2,222
Not yet due	510,476	-	-	510,476
Overdue 31 - 60 days	-	4	-	4
Total	550,404	2,458	-	552,862
<u>Less</u> Allowance for expected credit losses	(2,853)	(54)	-	(2,907)
Net book value	547,551	2,404	-	549,955
Investments in debt securities measured at amortised cost				
Investment grade	155	-	-	155
Non-investment grade	-	96	36	132
Total	155	96	36	287
<u>Less</u> Allowance for expected credit losses	-	(2)	(36)	(38)
Net book value	155	94	-	249
Investments in debt securities measured at fair value through other comprehensive income				
Investment grade	259,553	-	-	259,553
Total	259,553	-	-	259,553
Allowance for expected credit losses	(19)	-	(926)	(945)
Loans to customers and accrued interest receivables - net				
Not yet due	1,768,339	169,059	13,952	1,951,350
Overdue 1 - 30 days	445,975	24,331	3,326	473,632
Overdue 31 - 60 days	-	8,745	2,411	11,156
Overdue 61 - 90 days	-	3,593	1,816	5,409
More than 90 days	-	-	85,564	85,564
Total	2,214,314	205,728	107,069	2,527,111
<u>Less</u> Allowance for expected credit losses	(40,720)	(49,744)	(75,370)	(165,834)
Net book value	2,173,594	155,984	31,699	2,361,277

(Unit: Million Baht)

	Separate financial statements			
	31 December 2022			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Loan commitments				
Loan commitments	1,102,812	116,071	8,739	1,227,622
<u>Less</u> Allowance for expected credit losses	(1,375)	(1,962)	(698)	(4,035)
Net book value	1,101,437	114,109	8,041	1,223,587
Financial guarantee contracts				
Financial guarantee contracts	74,839	3,135	308	78,282
<u>Less</u> Allowance for expected credit losses	(143)	(127)	(47)	(317)
Net book value	74,696	3,008	261	77,965

Collateral and any operations to increase creditability

The Bank held collateral and any operations to increase creditability of exposure to credit risk. The details of the collateral held by the Bank for each type of financial assets are as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements		
	Exposure to credit risk with collateral		Type of major collateral
	31 December 2023	31 December 2022	
Interbank and money market items (assets)	608,998	467,192	Bonds
Loans to customers and accrued interest receivables	1,690,615	1,712,095	Land and buildings

Market risk

Market risk is the risk that the Bank may be affected by changes in value of position on the statements of financial position which is caused by fluctuation of interest rate, foreign exchange rate, equity securities price and commodity price resulting in negative impact on income and capital. The Bank monitors and controls the market risk in the trading book and banking book portfolios by comparing the existing risks with the approved risk limits/indicators, setting proper guideline when there is the breach of the limits/indicators and reporting to the executives and the Risk Oversight Committee regularly.

- **Interest rate risk**

Interest rate risk is the risk that income or capital fund is adversely affected by changes in interest rates which affect the assets, liabilities and financial position that are rate sensitive items which may affect net interest income, economic value, market value of trading accounts and other income and expenses that relate to the interest rate.

The Bank had monitored and controlled interest rate risk within acceptable risk appetite by formulating risk limit, performing stress testing on monthly basis, requiring presenting risk management report to the executives and to the Risk Oversight Committee on monthly basis, as well as formulating guidelines to ensure readiness in dealing with the breach of prescribed limits as per approval.

As at 31 December 2023 and 2022, significant financial assets and liabilities of the Bank and its subsidiaries classified by periods of interest rate change or periods of maturity, whichever is earlier, are as follows:

(Unit: Million Baht)

	Consolidated financial statements						
	31 December 2023						
	At call to 1 month	1 - 3 months	3 - 12 months	Over 1 year	Non- interest bearing	Non- performing transaction	Total
Financial assets							
Cash	-	-	-	-	55,626	-	55,626
Interbank and money market items	591,338	66,755	1,089	-	44,527	-	703,709
Investments	31,728	61,840	31,642	122,770	15,730	36	263,746
Loans to customers	1,795,883	296,260	310,727	53,661	20,893	99,092	2,576,516
Total financial assets	2,418,949	424,855	343,458	176,431	136,776	99,128	3,599,597
Financial liabilities							
Deposits	2,085,604	127,191	248,971	74,811	110,295	-	2,646,872
Interbank and money market items	155,265	73,625	8,215	36,566	9,025	-	282,696
Liabilities payable on demand	-	-	-	-	4,423	-	4,423
Debt issued and borrowings	3,678	14,638	4,317	130,149	8,057	-	160,839
Total financial liabilities	2,244,547	215,454	261,503	241,526	131,800	-	3,094,830

(Unit: Million Baht)

	Consolidated financial statements						
	31 December 2022						
	At call to 1 month	1 - 3 months	3 - 12 months	Over 1 year	Non- interest bearing	Non- performing transaction	Total
Financial assets							
Cash	-	-	-	-	61,591	-	61,591
Interbank and money market items	499,272	9,268	5,897	1	39,222	-	553,660
Investments	4,874	60,203	36,331	157,894	17,755	36	277,093
Loans to customers	1,726,396	323,763	339,478	76,860	25,495	100,846	2,592,838
Total financial assets	2,230,542	393,234	381,706	234,755	144,063	100,882	3,485,182
Financial liabilities							
Deposits	2,096,950	110,660	201,968	49,433	131,225	-	2,590,236
Interbank and money market items	204,897	11,021	14,720	39,986	6,475	-	277,099
Liabilities payable on demand	-	-	-	-	5,019	-	5,019
Debt issued and borrowings	-	18,136	7,740	119,208	6,088	-	151,172
Total financial liabilities	2,301,847	139,817	224,428	208,627	148,807	-	3,023,526

(Unit: Million Baht)

	Separate financial statements						
	31 December 2023						
	At call to 1 month	1 - 3 months	3 - 12 months	Over 1 year	Non- interest bearing	Non- performing transaction	Total
Financial assets							
Cash	-	-	-	-	55,590	-	55,590
Interbank and money market items	591,217	66,755	1,089	-	43,927	-	702,988
Investments	31,528	61,342	31,344	123,661	15,728	36	263,639
Loans to customers	1,797,937	216,850	312,438	53,025	1,090	96,890	2,478,230
Total financial assets	2,420,682	344,947	344,871	176,686	116,335	96,926	3,500,447
Financial liabilities							
Deposits	2,092,665	127,191	249,441	74,846	110,608	-	2,654,751
Interbank and money market items	148,522	73,625	8,215	37,066	9,025	-	276,453
Liabilities payable on demand	-	-	-	-	4,423	-	4,423
Debt issued and borrowings	-	13,638	1,000	91,507	8,057	-	114,202
Total financial liabilities	2,241,187	214,454	258,656	203,419	132,113	-	3,049,829

(Unit: Million Baht)

	Separate financial statements						
	31 December 2022						
	At call to 1 month	1 - 3 months	3 - 12 months	Over 1 year	Non- interest bearing	Non- performing transaction	Total
Financial assets							
Cash	-	-	-	-	61,565	-	61,565
Interbank and money market items	498,664	9,268	5,897	1	38,844	-	552,674
Investments	4,675	59,815	36,331	158,983	17,752	36	277,592
Loans to customers	1,732,600	248,776	337,083	79,050	5,693	99,219	2,502,421
Total financial assets	2,235,939	317,859	379,311	238,034	123,854	99,255	3,394,252
Financial liabilities							
Deposits	2,100,461	110,660	202,507	49,469	131,628	-	2,594,725
Interbank and money market items	200,589	10,721	14,720	39,986	6,477	-	272,493
Liabilities payable on demand	-	-	-	-	5,019	-	5,019
Debt issued and borrowings	-	16,048	5,300	79,466	6,088	-	106,902
Total financial liabilities	2,301,050	137,429	222,527	168,921	149,212	-	2,979,139

- Interest rate sensitivity analysis

Sensitivity analysis on interest rate change is to show the potential impact in the changes in interest rates on the statement of profit or loss and other comprehensive income and the equity of the Bank by setting other variables constant.

The sensitivity of the statement of profit or loss and other comprehensive income is the effect of changing interest rates on profit or loss for the year. For financial assets and financial liabilities at the end of reporting period, the Bank evaluates sensitivity analysis from net interest income change for the next 12 months under the assumption of changing interest rates of 1.00 percent for all types of financial assets and financial liabilities per each period of interest rate adjustment.

The impact of interest rates changes on profit or loss and equity as at 31 December 2023 and 2022 can be summarised as follows:

(Unit: Million Baht)

Consolidated financial statements				
31 December 2023		31 December 2022		
Effect on		Effect on		
Profit or loss	Equity	Profit or loss	Equity	
Interest rate increase 1%	3,218	3,218	1,371	1,371
Interest rate decrease 1%	(11,936)	(11,936)	(15,005)	(15,005)

(Unit: Million Baht)

Separate financial statements				
31 December 2023		31 December 2022		
Effect on		Effect on		
Profit or loss	Equity	Profit or loss	Equity	
Interest rate increase 1%	2,612	2,612	1,678	1,678
Interest rate decrease 1%	(11,330)	(11,330)	(15,312)	(15,312)

Foreign exchange rate risk

Foreign exchange rate risk is the risk that foreign exchange rate volatility gives the adverse impact on income or capital fund due to conducting transactions in foreign currency or having assets or liabilities in foreign currency, when converting foreign currency items on the Bank's financial statements to Baht currency, resulting in a decrease in book values including a decline in income or losses incurred from foreign currency trading.

The Bank had monitored and controlled foreign exchange rate risk within acceptable risk appetite by formulating risk limit, performing stress testing on monthly basis, requiring presenting risk management report to the executive on daily basis and to the Risk Oversight Committee on monthly basis, as well as formulating guidelines to ensure readiness in dealing with the breach of prescribed limits as per approval.

Financial position of the Bank and its subsidiaries' foreign currency balances as at 31 December 2023 and 2022 are as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	31 December 2023			
	US Dollar	Euro	Yen	Others
<u>Foreign currency in the statement</u>				
<u>of financial position</u>				
Cash	3,834	1,268	420	999
Interbank and money market items	25,910	562	1,801	3,735
Financial assets measured at fair value				
through profit or loss	1,360	-	6,301	-
Derivatives assets	812,795	48,981	94,130	11,105
Investments	22,839	10,747	26,251	6,590
Loans to customers	45,326	191	215	831
Total assets	912,064	61,749	129,118	23,260
Deposits	62,691	1,361	4,906	1,217
Interbank and money market items	6,048	-	3,651	823
Derivatives liabilities	807,514	59,991	116,089	17,956
Debt issued and borrowings	37,013	-	-	-
Total liabilities	913,266	61,352	124,646	19,996
Net	(1,202)	397	4,472	3,264
<u>Foreign currency of commitments</u>				
Loan commitments	10,424	-	-	303
Liabilities under unmatured import bills	1,393	100	82	64
Letter of credit	16,918	1,071	118	307
Other commitments	14,291	867	10	226

(Unit: Million Baht)

Consolidated and separate financial statements			
31 December 2022			
US Dollar	Euro	Yen	Others

Foreign currency in the statement**of financial position**

Cash	3,898	1,180	318	761
Interbank and money market items	22,590	428	2,496	3,955
Financial assets measured at fair value				
through profit or loss	-	-	23,488	-
Derivatives assets	850,758	58,019	69,501	9,750
Investments	20,963	11,164	30,876	8,534
Loans to customers	64,850	203	189	688
Total assets	963,059	70,994	126,868	23,688
Deposits	36,019	1,146	381	1,118
Interbank and money market items	24,518	134	-	577
Derivatives liabilities	853,695	69,319	129,539	18,110
Debt issued and borrowings	42,727	-	5	-
Total liabilities	956,959	70,599	129,925	19,805
Net	6,100	395	(3,057)	3,883

Foreign currency of commitments

Loan commitments	16,649	-	-	21
Liabilities under unmatured import bills	1,693	175	5	55
Letter of credit	18,369	1,618	1,074	1,314
Other commitments	14,508	1,679	11	201

Foreign exchange rate sensitivity analysis

Sensitivity analysis will quantify the impact from the potential changes in exchange rates on the statement of profit or loss and other comprehensive income and the equity of the Bank by setting constant to other variables. Risks and methods used in sensitivity analysis does not change from the previous year.

The impact from changes in exchange rate on profit or loss and equity as of 31 December 2023 and 2022 can be summarised as follows:

(Unit: Million Baht)

Consolidated and separate financial statements				
31 December 2023			31 December 2022	
Effect of			Effect of	
Profit or loss	Equity		Profit or loss	Equity
10% increase	1,479	693	1,407	732
10% decrease	(1,479)	(693)	(1,407)	(732)

- Equity price risk

It is a risk that income or capital funds is adversely affected by changes in equity prices/stock market indexes, resulting in a decrease in the value of the bank's trading investment portfolio.

The Bank had monitored and controlled equity price risk within acceptable risk appetite by formulating risk limit, performing stress testing on monthly basis, requiring presenting risk management report to the executive on daily basis and to the Risk Oversight Committee on monthly basis, as well as formulating guidelines to ensure readiness in dealing with the breach of prescribed limits as per approval.

- Commodity price risk

This is the risk that income or capital fund is adversely affected by changes in commodity price. The Bank has no policy of holding position in those items; hence, the Bank manage such risk exposures by doing back-to-back transactions.

- Interest rate benchmark reform

In order to smoothly transition from existing reference rates to new interest benchmark rates, the Bank has established Sub-Working Group for responding to interest rate benchmark reform and for managing, supervising and monitoring interest rate transition processes within the Bank. The main risks to which the Bank are exposed as a result of interest rate benchmark reform are operational risks such as communication with customers and counterparties, amendments of contracts, improvements of operating systems and related working processes and financial risk managements, which do not have significant impact to the Bank.

As of 31 December 2023, the Bank and its subsidiaries have financial instruments which are subject to interest rate benchmark reform. The majority of these financial instruments have reference rates of USD LIBOR and Thai Baht Interest Rate Fixing (THBFIX) which have been to be published until June 2023.

Liquidity risk

Liquidity risk is the risk that the Bank fails to repay liabilities or contingencies on due date because of inability to liquidate assets into cash or inability to finance sufficient funds or acquiring funds at a higher than acceptable level cost thus affecting income and capital fund at present and in the future.

Structure of sources and uses of funds

The Bank's primary sources of funds are from deposits, mostly short-term deposit less than 1 year and deposits that can be withdrawn without restricted timing. The Bank's primary uses of funds are loans, which have maturity date longer than the deposits. Therefore, the Bank may have liquidity risk.

Thus, the Bank has liquidity risk management process. The Bank sets the indicator to control liquidity risk such as Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) etc. In addition, the Bank also monitors the sources and uses of funds and funding source concentration, especially on important sources of funds; then regularly report such risk to the Asset and Liability Management Committee (ALCO), the Risk Oversight Committee (ROC) and other related parties.

Liquidity risk management tools

Liquidity risk management tools are presented in several reports related to the Bank's liquidity and reported to top-level executives and relevant departments in order to efficiently manage liquidity risk. The Bank prepares liquidity risk report to evaluate liquidity risk on a daily and monthly basis by comparing with the approved risk limit/indicators in order to manage and control the risk level within the limit. Such reports are as follows:

- Net liquidity position report of the 14 days duration presents daily details by showing estimated cash inflow and outflow information adjusted according to customer behavior, which is based on historical cash flow pattern together with forecasted future trend under realistic and conservative principles. This report is done on a daily basis.
- Liquidity gap report presents estimates of future cash flows determined in accordance with the customer behavior in the past under normal situation.
- Daily financial position report presents the Bank's liquid assets in terms of daily average deposits with the BOT. The BOT's regulation requires the Bank to maintain the amount of the biweekly-average daily deposit balance at BOT and the biweekly-average daily cash balance at the cash inventory management center altogether of not less than 1 percent of total customers' deposit and other specified borrowings. Moreover, the report demonstrates each type of high-quality liquid assets to support the liquidity need for the Bank's normal operations. This report is done on a daily basis.

- Liquidity Coverage Ratio (LCR) report is reported to the Risk Oversight Committee and the Assets and Liabilities Management Committee on a monthly basis in accordance with BOT's regulations. LCR aims to ensure that a bank has the sufficient liquidity to withstand the serve short term liquidity situation. The Bank must have the unencumbered high-quality liquid assets (HQLA) which consists of cash or assets that can be converted into cash at little or significant devaluation to meet its liquidity needs for a 30-calendar day under severe liquidity stress scenario.
- Net Stable Funding Ratio (NSFR) report is reported to BOT on a quarterly basis and the Risk Oversight Committee and the Assets and Liabilities Management Committee on a monthly basis. NSFR is the liquidity risk measurement standard that aims to have stable funding source in line with the noncallable asset or the non-marketable with significant devaluation.
- Simulation liquidity risk stress testing report will be submitted to the Risk Oversight Committee on a quarterly basis.

Liquidity risk stress testing

The Bank sets quarterly liquidity risk stress testing in conformity with the Bank's stress testing policy by using the 3 situations which are (1) Institution-specific crisis (2) Market-wide crisis and (3) Combination of both. Each situation is based on assumptions such as withdrawing customers' deposit type different proportion, declining in the market liquidity of assets, decreasing in ability to reach large- sized sources of funds. The Bank also prepares contingency plan to support crisis by considering to stress test result of each model situation. The contingency plan is set warning triggers of liquidity crisis in order that the Bank can reduce negative impact from liquidity problems that may occur with reasonable expenses/costs.

The Bank also discloses information about Liquidity Coverage Ratio (LCR) in order to ensure that the Bank has sufficient manage liquidity to support liquidity stress situation under the BOT's notifications regarding the Disclosure of Liquidity Coverage Ratio Disclosure Standards.

Channel of disclosure www.krungthai.com > Investor Relations > Financial Information > LCR Disclosures

Date of disclosure Within 4 months after the end of reporting period.

Information as at 31 December 2023

Liquidity ratio

The BOT specifies that the Bank has to maintain the average fortnightly liquid assets not less than 1 percent of deposits and borrowings as prescribed by the BOT's regulation. As at 31 December 2023 and 2022, the Bank has deposits at the BOT and cash at the cash center of Baht 18,070 million and Baht 13,924 million, respectively.

	31 December 2023	31 December 2022
	(%)	(%)
Sources of Funds		
Deposits	71.97	72.10
Interbank and money market items (liabilities)	7.69	7.71
Debt issued and borrowings	4.37	4.21
Equity	11.44	10.93
Uses of Funds		
Loans to customers (net deferred revenue)	70.06	72.18
Interbank and money market items (assets)	19.13	15.41
Investments - net and investments in subsidiaries and associated companies - net	7.54	8.06

Loans to deposits ratio

	31 December 2023	31 December 2022
	(%)	(%)
Loans to deposits ratio (Consolidated financial statements)	97.34	100.10
Loans to deposits ratio (Separate financial statements)	93.35	96.44

On the consolidated financial statements as at 31 December 2023, the Bank has loans to deposits ratio of 97.34 percent which has decreased from 100.10 percent as at 31 December 2022.

Loans to deposits ratio on the separate financial statements as at 31 December 2023 is 93.35 percent which has decreased from 96.44 percent as at 31 December 2022. As a result, loans decreased 0.97 percent and deposits increased 2.31 percent from the end of the year 2022.

These above ratios have no significant impact to the liquidities of the Bank and its subsidiaries.

As at 31 December 2023 and 2022, the Bank's significant financial assets and liabilities are classified by remaining maturity as follows:

(Unit: Million Baht)						
Consolidated financial statements						
31 December 2023						
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets						
Cash	-	-	-	-	55,626	55,626
Interbank and money market items	45,085	658,298	326	-	-	703,709
Financial assets measured at fair value through profit or loss	-	11,435	7,535	6,475	501	25,946
Derivatives assets	-	29,054	27,506	12,901	-	69,461
Investments	36	97,892	111,941	38,147	15,730	263,746
Loans to customers	189,921	559,904	624,578	1,202,113	-	2,576,516
Total financial assets	235,042	1,356,583	771,886	1,259,636	71,857	3,695,004
Financial liabilities						
Deposits	2,107,976	460,853	78,043	-	-	2,646,872
Interbank and money market items	47,023	199,108	35,311	1,254	-	282,696
Derivatives liabilities	-	30,776	22,574	10,587	-	63,937
Liabilities payable on demand	4,423	-	-	-	-	4,423
Debt issued and borrowings	-	23,412	71,494	46,885	19,048	160,839
Total financial liabilities	2,159,422	714,149	207,422	58,726	19,048	3,158,767

(Unit: Million Baht)						
Consolidated financial statements						
31 December 2022						
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets						
Cash	-	-	-	-	61,591	61,591
Interbank and money market items	40,539	512,774	347	-	-	553,660
Financial assets measured at fair value through profit or loss	-	23,836	4,260	4,744	728	33,568
Derivatives assets	-	27,922	37,806	17,442	-	83,170
Investments	36	81,877	139,380	38,045	17,755	277,093
Loans to customers	192,081	537,481	655,461	1,207,815	-	2,592,838
Total financial assets	232,656	1,183,890	837,254	1,268,046	80,074	3,601,920
Financial liabilities						
Deposits	2,154,767	384,370	41,048	10,051	-	2,590,236
Interbank and money market items	52,072	185,042	37,271	2,714	-	277,099
Financial liabilities measured at fair value through profit or loss	-	2,319	-	-	-	2,319
Derivatives liabilities	-	27,943	35,771	14,793	-	78,507
Liabilities payable on demand	5,019	-	-	-	-	5,019
Debt issued and borrowings	-	13,149	68,137	51,259	18,627	151,172
Total financial liabilities	2,211,858	612,823	182,227	78,817	18,627	3,104,352

(Unit: Million Baht)

	Separate financial statements					
	31 December 2023					
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets						
Cash	-	-	-	-	55,590	55,590
Interbank and money market items	44,364	658,298	326	-	-	702,988
Financial assets measured at fair value through profit or loss	-	11,435	7,535	6,475	501	25,946
Derivatives assets	-	29,054	27,506	12,901	-	69,461
Investments	36	96,896	112,832	38,147	15,728	263,639
Loans to customers	189,921	493,429	592,839	1,202,041	-	2,478,230
Total financial assets	234,321	1,289,112	741,038	1,259,564	71,819	3,595,854
Financial liabilities						
Deposits	2,115,350	461,323	78,078	-	-	2,654,751
Interbank and money market items	46,777	192,611	35,811	1,254	-	276,453
Derivatives liabilities	-	30,776	22,574	10,587	-	63,937
Liabilities payable on demand	4,423	-	-	-	-	4,423
Debt issued and borrowings	-	15,417	37,552	42,185	19,048	114,202
Total financial liabilities	2,166,550	700,127	174,015	54,026	19,048	3,113,766

(Unit: Million Baht)

Separate financial statements					
31 December 2022					
At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets					
Cash	-	-	-	61,565	61,565
Interbank and money market items	39,553	512,774	347	-	552,674
Financial assets measured at fair value through profit or loss	-	23,836	4,260	4,744	33,568
Derivatives assets	-	27,922	37,806	17,442	83,170
Investments	36	81,289	140,394	38,121	277,592
Loans to customers	198,072	469,094	627,562	1,207,693	2,502,421
Total financial assets	237,661	1,114,915	810,369	1,268,000	3,510,990
Financial liabilities					
Deposits	2,158,681	384,910	41,083	10,051	2,594,725
Interbank and money market items	51,415	181,093	37,271	2,714	272,493
Financial liabilities measured at fair value through profit or loss	-	2,319	-	-	2,319
Derivatives liabilities	-	27,943	35,771	14,793	78,507
Liabilities payable on demand	5,019	-	-	-	5,019
Debt issued and borrowings	-	8,621	36,335	43,319	106,902
Total financial liabilities	2,215,115	604,886	150,460	70,877	3,059,965

7. Capital funds

The capital fund and capital adequacy ratio information as at 31 December 2023, is preliminary information prepared using the criteria and methods prescribed by the BOT, which requires the Bank to prepare and submit such information to the BOT within 3 months from the end of the quarter, and to disclose such information as at 31 December of each year via the Bank's website. Comparative information as at 31 December 2022, already submitted to the BOT, is as follows:

(Unit: Million Baht)

	Financial business group	
	31 December 2023	31 December 2022
Common equity Tier 1		
Paid-up share capital	72,005	72,005
Premium on share capital	20,834	20,834
Legal reserve	7,201	7,201
Net income after appropriation	267,758	239,360
Other components of equity	15,094	17,317
Capital deduction items on common equity Tier 1	(27,631)	(21,116)
Total common equity Tier1	355,261	335,601
Tier 1 capital funds - financial instruments	20,158	20,269
Total Tier 1 capital funds	375,419	355,870
Tier 2 capital funds		
Long-term subordinated debt	42,080	42,080
Allowance for assets classified as normal	23,921	24,144
Total Tier 2 capital funds	66,001	66,224
Total capital funds	441,420	422,094

(Unit: Million Baht)

	Separate financial statements	
	31 December 2023	31 December 2022
Common equity Tier 1		
Paid-up share capital	72,005	72,005
Premium on share capital	20,834	20,834
Legal reserve	7,201	7,201
Net income after appropriation	243,311	217,553
Other components of equity	18,989	21,268
Capital deduction items on common equity Tier 1	(25,433)	(18,965)
Total common equity Tier1	336,907	319,896
Tier 1 capital funds - financial instruments	18,647	18,647
Total tier 1 capital funds	355,554	338,543
Tier 2 capital funds		
Long-term subordinated debt	42,080	42,080
Allowance for assets classified as normal	22,880	23,237
Total Tier 2 capital funds	64,960	65,317
Total capital funds	420,514	403,860

	Capital adequacy ratio				
	Minimum rate	Financial business group		Separate financial statements	
	of BOT-s	31 December	31 December	31 December	31 December
	requirement	2023	2022	2023	2022
	(%)	(%)	(%)	(%)	(%)
Common equity Tier 1 ratio	8.00	16.67	15.74	16.54	15.59
Tier 1 capital fund ratio	9.50	17.62	16.69	17.45	16.50
Capital adequacy ratio	12.00	20.71	19.80	20.64	19.68

The Bank discloses information about the capital fund requirements of the Bank and the financial business group in accordance with the BOT's Notification regarding the Disclosure of Capital Requirements of Commercial Banks and Notification regarding the Disclosure of Capital Requirement of Financial Business Groups.

Channel of disclosure	www.krungthai.com > Investor Relations > Financial Information > Pillar III disclosures
Date of disclosure	Within 4 months after the end of reporting period.
Information as at	31 December 2023

8. Supplementary information

8.1 Supplementary information of cash flows

8.1.1 Cash

Cash as at 31 December 2023 and 2022 are as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	(Unit: Million Baht)			
Cash	44,431	50,202	44,395	50,176
Cash received in advance from electronic money transactions and electronic money transfer services	11,195	11,389	11,195	11,389
Total	55,626	61,591	55,590	61,565

8.1.2 Significant non-cash items for the years ended 31 December 2023 and 2022 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Decrease in revaluation surplus on investments measured at fair value through other comprehensive income net of income tax expenses	(1,830)	(2,535)	(1,841)	(2,528)
Increase in right-of-use assets	2,261	1,655	1,278	1,365
Increase in properties for sale from loans repayment	817	2,114	719	1,885
Increase in properties for sale from asset warehousing	156	3,810	156	3,810

8.1.3 Disclosures of related changes in liabilities from financing activities

(Unit: Million Baht)

Item	Consolidated financial statements			
	1 January 2023	Cash flows from financing activities	Non-cash items	31 December 2023
Debt issued and borrowings	151,172	9,208	459	160,839
Total	151,172	9,208	459	160,839

(Unit: Million Baht)

Item	Consolidated financial statements			
	1 January 2022	Cash flows from financing activities	Non-cash items	31 December 2022
Debt issued and borrowings	133,817	18,284	(929)	151,172
Total	133,817	18,284	(929)	151,172

(Unit: Million Baht)

Item	Separate financial statements			
	1 January 2023	Cash flows from financing activities	Non-cash items	31 December 2023
Debt issued and borrowings	106,902	7,673	(373)	114,202
Total	106,902	7,673	(373)	114,202

(Unit: Million Baht)

Item	Separate financial statements			
	1 January 2022	Cash flows from financing activities	Non-cash items	31 December 2022
Debt issued and borrowings	91,392	16,500	(990)	106,902
Total	91,392	16,500	(990)	106,902

8.2 Classification of financial assets and financial liabilities

(Unit: Million Baht)

	Consolidated financial statements				
	31 December 2023				
	Financial instruments measured at fair value through profit and loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
Financial assets					
Cash	-	-	-	55,626	55,626
Interbank and money market items - net	-	-	-	701,161	701,161
Financial assets measured at fair value through profit and loss	25,946	-	-	-	25,946
Derivatives assets	69,461	-	-	-	69,461
Investments - net	-	246,760	15,730	1,218	263,708
Loans to customers and accrued interest receivables - net	-	-	-	2,426,095	2,426,095
Total financial assets	95,407	246,760	15,730	3,184,100	3,541,997
Financial liabilities					
Deposits	-	-	-	2,646,872	2,646,872
Interbank and money market items	-	-	-	282,696	282,696
Liabilities payable on demand	-	-	-	4,423	4,423
Derivatives liabilities	63,937	-	-	-	63,937
Debt issued and borrowings	-	-	-	160,839	160,839
Lease liabilities	-	-	-	3,841	3,841
Provisions	-	-	-	17,004	17,004
Total financial liabilities	63,937	-	-	3,115,675	3,179,612

(Unit: Million Baht)

	Consolidated financial statements				
	31 December 2022				
	Financial instruments measured at fair value through profit and loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
<u>Financial assets</u>					
Cash	-	-	-	61,591	61,591
Interbank and money market items - net	-	-	-	550,941	550,941
Financial assets measured at fair value through profit and loss	33,568	-	-	-	33,568
Derivatives assets	83,170	-	-	-	83,170
Investments - net	-	258,350	17,755	950	277,055
Loans to customers and accrued interest receivables - net	-	-	-	2,443,832	2,443,832
Total financial assets	116,738	258,350	17,755	3,057,314	3,450,157
<u>Financial liabilities</u>					
Deposits	-	-	-	2,590,236	2,590,236
Interbank and money market items	-	-	-	277,099	277,099
Liabilities payable on demand	-	-	-	5,019	5,019
Financial liabilities measured at fair value through profit and loss	2,319	-	-	-	2,319
Derivatives liabilities	78,507	-	-	-	78,507
Debt issued and borrowings	-	-	-	151,172	151,172
Lease liabilities	-	-	-	3,688	3,688
Provisions	-	-	-	17,444	17,444
Total financial liabilities	80,826	-	-	3,044,658	3,125,484

(Unit: Million Baht)

Separate financial statement				
31 December 2023				
Financial instruments measured at fair value through profit and loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
Financial assets				
Cash	-	-	55,590	55,590
Interbank and money market items - net	-	-	700,440	700,440
Financial assets measured at fair value through profit and loss	25,946	-	-	25,946
Derivatives assets	69,461	-	-	69,461
Investments - net	-	247,653	15,728	263,601
Loans to customers and accrued interest receivables - net	-	-	2,336,699	2,336,699
Total financial assets	95,407	247,653	3,092,949	3,451,737
Financial liabilities				
Deposits	-	-	2,654,751	2,654,751
Interbank and money market items	-	-	276,453	276,453
Liabilities payable on demand	-	-	4,423	4,423
Derivatives liabilities	63,937	-	-	63,937
Debt issued and borrowings	-	-	114,202	114,202
Lease liabilities	-	-	2,638	2,638
Provisions	-	-	15,454	15,454
Total financial liabilities	63,937	-	3,067,921	3,131,858

(Unit: Million Baht)

	Separate financial statement				
	31 December 2022				
	Financial instruments measured at fair value through profit and loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
Financial assets					
Cash	-	-	-	61,565	61,565
Interbank and money market items - net	-	-	-	549,955	549,955
Financial assets measured at fair value through profit and loss	33,568	-	-	-	33,568
Derivatives assets	83,170	-	-	-	83,170
Investments - net	-	259,553	17,752	249	277,554
Loans to customers and accrued interest receivables - net	-	-	-	2,361,277	2,361,277
Total financial assets	116,738	259,553	17,752	2,973,046	3,367,089
Financial liabilities					
Deposits	-	-	-	2,594,725	2,594,725
Interbank and money market items	-	-	-	272,493	272,493
Liabilities payable on demand	-	-	-	5,019	5,019
Financial liabilities measured at fair value through profit and loss	2,319	-	-	-	2,319
Derivatives liabilities	78,507	-	-	-	78,507
Debt issued and borrowings	-	-	-	106,902	106,902
Lease liabilities	-	-	-	3,003	3,003
Provisions	-	-	-	15,927	15,927
Total financial liabilities	80,826	-	-	2,998,069	3,078,895

8.3 Interbank and money market items (assets)

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2023			31 December 2022		
	At call	Term	Total	At call	Term	Total
Domestic						
Bank of Thailand and Financial						
Institutions Development Fund	18,082	499,809	517,891	13,961	416,760	430,721
Commercial banks	716	104,833	105,549	975	45,706	46,681
Specialised financial institutions	15	32	47	11	4,035	4,046
Other financial institutions	37	48,151	48,188	13	42,943	42,956
Total	18,850	652,825	671,675	14,960	509,444	524,404
Add: Accrued interest receivables	-	393	393	-	162	162
Less: Deferred revenue	-	(104)	(104)	-	(21)	(21)
Less: Allowance for expected credit losses	(3)	(2,838)	(2,841)	(1)	(2,836)	(2,837)
Total domestic items	18,847	650,276	669,123	14,959	506,749	521,708
Foreign						
US Dollar	21,921	3,989	25,910	20,516	2,074	22,590
Yen	1,801	-	1,801	2,496	-	2,496
Euro	562	-	562	428	-	428
Others	1,951	1,914	3,865	2,139	1,624	3,763
Total	26,235	5,903	32,138	25,579	3,698	29,277
Add: Accrued interest receivables	-	37	37	-	26	26
Less: Allowance for expected credit losses	(36)	(101)	(137)	(26)	(44)	(70)
Total foreign items	26,199	5,839	32,038	25,553	3,680	29,233
Total	45,046	656,115	701,161	40,512	510,429	550,941

(Unit: Million Baht)

	Separate financial statements					
	31 December 2023			31 December 2022		
	At call	Term	Total	At call	Term	Total
Domestic						
Bank of Thailand and Financial						
Institutions Development Fund	18,082	499,809	517,891	13,961	416,760	430,721
Commercial banks	10	104,833	104,843	-	45,706	45,706
Specialised financial institutions	-	32	32	-	4,035	4,035
Other financial institutions	37	48,151	48,188	13	42,943	42,956
Total	18,129	652,825	670,954	13,974	509,444	523,418
Add: Accrued interest receivables	-	393	393	-	162	162
Less: Deferred revenue	-	(104)	(104)	-	(21)	(21)
Less: Allowance for expected credit losses	(3)	(2,838)	(2,841)	(1)	(2,836)	(2,837)
Total domestic items	18,126	650,276	668,402	13,973	506,749	520,722
Foreign						
US Dollar	21,921	3,989	25,910	20,516	2,074	22,590
Yen	1,801	-	1,801	2,496	-	2,496
Euro	562	-	562	428	-	428
Others	1,951	1,914	3,865	2,139	1,624	3,763
Total	26,235	5,903	32,138	25,579	3,698	29,277
Add: Accrued interest receivables	-	37	37	-	26	26
Less: Allowance for expected credit losses	(36)	(101)	(137)	(26)	(44)	(70)
Total foreign items	26,199	5,839	32,038	25,553	3,680	29,233
Total	44,325	656,115	700,440	39,526	510,429	549,955

As at 31 December 2023 and 2022, the Bank has no loans to a subsidiary company, which was a financial institution.

8.4 Financial assets measured at fair value through profit or loss

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Investments				
Financial assets held for trading				
Government and state enterprises securities	15,878	6,964	15,878	6,964
Private enterprises debt securities	501	1,010	501	1,010
Investments in foreign debt securities	7,661	23,488	7,661	23,488
Marketable equity securities	73	4	73	4
Total	24,113	31,466	24,113	31,466
Others				
Private enterprises debt securities	1,405	1,378	1,405	1,378
Unit trust	422	385	422	385
Marketable equity securities	6	339	6	339
Total	1,833	2,102	1,833	2,102
Total financial assets measured at fair value through profit or loss	25,946	33,568	25,946	33,568

8.5 Derivatives

8.5.1 Derivatives held for trading

Fair value and notional amount classified by type of risk are as follows:

(Unit: Million Baht)

Type of risk	Consolidated and separate financial statements					
	31 December 2023			31 December 2022		
	Fair value		Notional amounts	Fair value		Notional amounts
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	40,093	36,551	1,744,024	48,762	44,497	1,864,533
Interest rate	23,504	23,182	2,066,069	30,155	29,662	2,129,757
Others	1,161	1,250	41,764	419	344	19,216
Total	64,758	60,983	3,851,857	79,336	74,503	4,013,506

8.5.2 Derivative for hedging

As at 31 December 2023 and 2022, hedging instrument classified by type of hedging and risk are detailed as follows:

Dynamic hedges

Fair value and notional amount classified by type of risk are as follows:

(Unit: Million Baht)

Type of risk	Consolidated and separate financial statements		
	31 December 2023		
	Notional amounts	Fair value	
		Assets	Liabilities
<u>Interest rate risk</u>			
Interest rate swap	52,230	-	-
Total	52,230	-	-

(Unit: Million Baht)

Type of risk	Consolidated and separate financial statements		
	31 December 2022		
	Notional amounts	Fair value	
		Assets	Liabilities
<u>Interest rate risk</u>			
Interest rate swap	100,425	-	-
Total	100,425	-	-

Fair value hedges

The amounts relating to items designated as hedged items under fair value hedges are as follows:

(Unit: Million Baht)

Type of risk		Consolidated and separate financial statements			
		31 December 2023			
		Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items	
		Assets	Liabilities	Assets	Liabilities
<u>Interest rate risk</u>					
THB fixed-rate borrowings	A	-	783	-	(17)
USD fixed-rate borrowings	A	-	4,060	-	(46)
THB fixed-rate debt issued	B	-	30,742	-	(348)
USD fixed-rate debt issued	B	-	19,174	-	(1,457)
THB fixed-rate loans to customers	D	2,356	-	(73)	-
Total interest rate risk		2,356	54,759	(73)	(1,868)
<u>Foreign exchange rate risk</u>					
USD investments in equity securities, designated at fair value through other comprehensive income	C	4,060	-	(132)	-
EUR investments in equity securities, designated at fair value through other comprehensive income	C	10	-	-	-
Total foreign exchange rate risk		4,070	-	(132)	-
Total		6,426	54,759	(205)	(1,868)

(Unit: Million Baht)

Type of risk		Consolidated and separate financial statements			
		31 December 2022			
		Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items	
		Assets	Liabilities	Assets	Liabilities
<u>Interest rate risk</u>					
THB fixed-rate borrowings	A	-	2,970	-	(29)
USD fixed-rate borrowings	A	-	6,049	-	(172)
THB fixed-rate debt issued	B	-	18,615	-	(8)
USD fixed-rate debt issued	B	-	18,755	-	(2,064)
THB fixed-rate loans to customers	D	2,693	-	16	-
Total interest rate risk		2,693	46,389	16	(2,273)
<u>Foreign exchange rate risk</u>					
USD investments in equity securities, designated at fair value through other comprehensive income	C	3,275	-	(246)	-
EUR investments in equity securities, designated at fair value through other comprehensive income	C	8	-	-	-
Total foreign exchange rate risk		3,283	-	(246)	-
Total		5,976	46,389	(230)	(2,273)

The items in the statement of financial position, where the hedged items and the cumulative fair value changes are recorded, include:

- A. Interbank and money market items (Liabilities)
- B. Debt issued and borrowings
- C. Investments - net
- D. Loans to customers and accrued interest receivables - net

The amounts relating to items designated as hedging instruments under fair value hedges are as follows:

(Unit: Million Baht)

Type of risk	Consolidated and separate financial statements		
	31 December 2023		
	Notional amounts	Fair value of hedging instruments	
		Assets	Liabilities
<u>Interest rate risk</u>			
Interest rate swap	74,373	334	1,954
Interest rate swap option	34,731	28	284
Total interest rate risk	109,104	362	2,238
<u>Foreign exchange rate risk</u>			
Foreign currency forward contract	411	9	-
Foreign currency swap contract	3,637	123	-
Total foreign exchange rate risk	4,048	132	-
Total	113,152	494	2,238

(Unit: Million Baht)

Type of risk	Consolidated and separate financial statements		
	31 December 2022		
	Notional amounts	Fair value of hedging instruments	
		Assets	Liabilities
<u>Interest rate risk</u>			
Interest rate swap	71,021	190	2,365
Interest rate swap option	34,403	98	210
Total interest rate risk	105,424	288	2,575
<u>Foreign exchange rate risk</u>			
Foreign currency swap contract	3,292	246	-
Total foreign exchange rate risk	3,292	246	-
Total	108,716	534	2,575

The below table sets out the outcome of the Bank's hedging strategy, set out in Note 4.5 to the consolidated financial statements, in particular, to changes in the fair value of the hedged items and hedging instruments during the year, used as the basis for recognising ineffectiveness:

(Unit: Million Baht)

Type of risk		Consolidated and separate financial statements		
		For the year ended 31 December 2023		
		Gains (losses) attributable to the hedged risk		Change in fair value used for measuring ineffectiveness
Hedged items	Hedging instruments	Hedged items	Hedging instruments	
<u>Interest rate risk</u>				
THB fixed-rate borrowings	Interest rate swap	(12)	12	-
USD fixed-rate borrowings	Interest rate swap	(126)	126	-
THB fixed-rate debt issued	Interest rate swap			
	and interest rate swap option	340	(169)	171
USD fixed-rate debt issued	Interest rate swap	(607)	612	5
THB fixed-rate loans to customers	Interest rate swap			
	and interest rate swap option	(89)	(27)	(116)
Total interest rate risk		(494)	554	60
<u>Foreign exchange rate risk</u>				
USD investments in equity securities, designated at fair value through other comprehensive income	Foreign currency forward contract / Foreign currency swap contract	(151)	151	-
Total foreign exchange rate risk		(151)	151	-
Total		(645)	705	60

(Unit: Million Baht)

Type of risk		Consolidated and separate financial statements		
		For the year ended 31 December 2022		
		Gains (losses) attributable to the hedged risk		Change in fair value used for measuring ineffectiveness
		Hedged items	Hedging instruments	
<u>Interest rate risk</u>				
THB fixed-rate borrowings	Interest rate swap	64	(64)	-
USD fixed-rate borrowings	Interest rate swap	158	(158)	-
THB fixed-rate debt issued	Interest rate swap and interest rate swap option	147	(79)	68
USD fixed-rate debt issued	Interest rate swap	1,779	(1,783)	(4)
THB fixed-rate loans to customers	Interest rate swap and interest rate swap option	43	57	100
Total interest rate risk		2,191	(2,027)	164
<u>Foreign exchange rate risk</u>				
USD investments in equity securities, designated at fair value through other comprehensive income	Foreign currency swap contract	(263)	263	-
Total foreign exchange rate risk		(263)	263	-
Total		1,928	(1,764)	164

Cash flow hedges

The amounts relating to items designated as hedged items under cash flow hedges are as follows:

(Unit: Million Baht)

Type of risk	Consolidated and separate financial statements		
	31 December 2023		
	Change in fair value measuring used for ineffectiveness	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
<u>Interest rate and foreign exchange rate risk</u>			
Investment in debt securities, measured at fair value through other comprehensive income			
USD fixed-rate	179	(119)	-
USD floating rate	(677)	-	-
YEN fixed-rate	(971)	53	-
EUR fixed-rate	515	152	-
EUR floating rate	(49)	(40)	-
MYR fixed-rate	(372)	(14)	-
Total	(1,375)	32	-

(Unit: Million Baht)

Type of risk	Consolidated and separate financial statements		
	31 December 2022		
	Change in fair value measuring used for ineffectiveness	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
<u>Interest rate and foreign exchange rate risk</u>			
Investment in debt securities, measured at fair value through other comprehensive income			
USD fixed-rate	(258)	178	-
USD floating rate	150	(32)	-
YEN fixed-rate	(2,605)	15	-
EUR fixed-rate	(522)	358	-
EUR floating rate	(15)	(58)	-
MYR fixed-rate	(71)	46	-
Total	(3,321)	507	-

The corresponding items in the statement of financial position, where the hedged items are recorded is “Investments - net”.

The below table sets out the outcome of the Bank's hedging strategy, set out in Note 4.5 to the consolidated financial statements, in particular, the notional and the carrying amounts of the derivatives the Bank uses as cash flow hedging instruments and the changes in fair value used for measuring ineffectiveness of the cash flow hedges as follows:

(Unit: Million Baht)

Type of risk	Consolidated and separate financial statements						
	31 December 2023						
	Notional amounts	Carrying amount of hedging instruments		Changes in fair value used for measuring ineffectiveness			Amount reclassified from the cash flow hedge reserve to profit or loss
		Assets	Liabilities	Total	Effective portion recognised in other comprehensive income	Ineffective portion recognised in profit or loss	
<u>Interest rate risk</u>							
Interest rate swap - hedge the risk of USD floating-rate investments in debt securities	1,711	-	1	-	-	-	-
Interest rate swap option - hedge the risk of EUR floating-rate investments in debt securities	1,312	-	1	-	-	-	-
<u>Interest rate and foreign exchange rate risk</u>							
Cross currency swap (THB:USD)- hedge the risk of USD fixed-rate investments in debt securities	16,735	136	414	(179)	(179)	-	(118)
Cross currency swap (THB:USD)- hedge the risk of USD floating-rate investments in debt securities	1,711	-	228	677	677	-	(645)
Cross currency swap (THB:YEN)- hedge the risk of YEN fixed-rate investments in debt securities	26,217	3,709	-	971	971	-	(933)
Cross currency swap (THB:EUR)- hedge the risk of EUR fixed-rate investments in debt securities	9,708	19	72	(515)	(515)	-	309
Cross currency swap (THB:EUR)- hedge the risk of EUR floating-rate investments in debt securities	1,312	13	-	49	49	-	(31)
Cross currency swap (THB:MYR)- hedge the risk of MYR fixed-rate investments in debt securities	6,082	332	-	372	372	-	(432)
Total	64,788	4,209	716	1,375	1,375	-	(1,850)

(Unit: Million Baht)

Type of risk	Consolidated and separate financial statements						
	31 December 2022						
	Notional amounts	Carrying amount of hedging instruments		Changes in fair value used for measuring ineffectiveness			Amount reclassified from the cash flow hedge reserve to profit or loss
		Assets	Liabilities	Total	Effective portion recognised in other comprehensive income	Ineffective portion recognised in profit or loss	
Interest rate risk							
Interest rate swap option - hedge the risk of EUR floating-rate investments in debt securities	1,271	-	-	2	-	2	-
Interest rate and foreign exchange rate risk							
Cross currency swap (THB:USD) - hedge the risk of USD fixed-rate investments in debt securities	7,742	117	333	258	258	-	(106)
Cross currency swap (THB:USD) - hedge the risk of USD floating-rate investments in debt securities	7,949	-	897	(150)	(150)	-	114
Cross currency swap (THB:YEN) - hedge the risk of YEN fixed-rate investments in debt securities	30,788	2,668	16	2,605	2,605	-	(2,709)
Cross currency swap (THB:EUR) - hedge the risk of EUR fixed-rate investments in debt securities	9,400	445	-	522	522	-	(178)
Cross currency swap (THB:EUR) - hedge the risk of EUR floating-rate investments in debt securities	2,191	36	76	15	15	-	(56)
Cross currency swap (THB:MYR) - hedge the risk of MYR fixed-rate investments in debt securities	7,987	34	107	71	71	-	(57)
Total	67,328	3,300	1,429	3,323	3,321	2	(2,992)

The corresponding line item in the statement of profit or loss and other comprehensive income that includes hedge ineffectiveness is “Net gains on financial instruments measured at fair value through profit or loss”.

The corresponding line items in the statement of profit or loss and other comprehensive income that affected by the reclassification of the cash flow hedge reserve are “Net gains on financial instruments measured at fair value through profit or loss” and “Interest income”.

As at 31 December 2023 and 2022, the Bank has hedging instruments used to hedge interest rate risk and foreign exchange rate risk, classified by the maturity as follows:

Type of risk	Consolidated and separate financial statements					
	31 December 2023					
	Remaining time to maturity					
	Less than 1 month	1 to 3 months	Over 3 months to 1 year	Over 1 to 5 years	Over 5 years	Total
<u>Fair value hedges - interest rate risk</u>						
Interest rate swap - hedge THB fixed-rate borrowings						
Notional amount (Unit: Million Baht)	-	-	24,638	22,102	430	47,170
Average fixed rate (%)	-	-	1.59	1.31	1.79	1.46
Average floating rate (%)	-	-	2.52	2.43	1.69	2.47
Interest rate swap - hedge USD fixed-rate borrowings						
Notional amount (Unit: Million Baht)	-	-	4,107	20,667	-	24,774
Average fixed rate (%)	-	-	3.12	4.38	-	4.17
Average floating rate (%)	-	-	3.42	7.12	-	6.51
Interest rate swap - hedge THB fixed-rate loans to customers						
Notional amount (Unit: Million Baht)	-	-	-	1,563	866	2,429
Average fixed rate (%)	-	-	-	3.50	3.83	3.62
Average floating rate (%)	-	-	-	4.50	4.50	4.50
Interest rate swap - hedge THB fixed-rate debt issued and borrowings						
Notional amount (Unit: Million Baht)	-	-	19,766	14,965	-	34,731
Average fixed rate (%)	-	-	2.16	2.71	-	2.40
Average floating rate (%)	-	-	2.50	2.56	-	2.53
<u>Fair value hedges - foreign exchange rate risk</u>						
Foreign currency forward contract - hedge USD investments in equity securities						
Notional amount (Unit: Million Baht)	-	411	-	-	-	411
Average foreign exchange rate (THB:USD)	-	34.80	-	-	-	34.80
Foreign currency swap contract - hedge EUR investments in equity securities						
Notional amount (Unit: Million Baht)	-	10	-	-	-	10
Average foreign exchange rate (THB:EUR)	-	37.83	-	-	-	37.83
Foreign currency swap contract - hedge USD investments in equity securities						
Notional amount (Unit: Million Baht)	-	3,627	-	-	-	3,627
Average foreign exchange rate (THB:USD)	-	35.26	-	-	-	35.26

Type of risk	Consolidated and separate financial statements					
	31 December 2023					
	Remaining time to maturity					
	Less than 1 month	1 to 3 months	Over 3 months to 1 year	Over 1 to 5 years	Over 5 years	Total
<u>Cash flow hedges - interest rate risk</u>						
Interest rate swap - hedge USD floating-rate investments in debt securities						
Notional amount (Unit: Million Baht)	1,711	-	-	-	-	1,711
Average fixed rate (%)	6.50	-	-	-	-	6.50
Average floating-rate (%)	6.45	-	-	-	-	6.45
Interest rate swap option - hedge EUR floating-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	-	1,312	-	1,312
Average fixed rate (%)	-	-	-	-	-	-
Average floating-rate (%)	-	-	-	-	-	-
<u>Cash flow hedges - interest rate and foreign exchange rate risk</u>						
Cross currency swap (THB:USD) - hedge USD fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	2,464	411	342	13,518	-	16,735
Average foreign exchange rate (THB:USD)	30.14	31.38	34.67	34.57	-	33.84
Average fixed rate (%)	1.00	1.09	2.38	2.73	-	2.46
Cross currency swap (THB:USD) - hedge USD floating-rate investments in debt securities						
Notional amount (Unit: Million Baht)	1,711	-	-	-	-	1,711
Average foreign exchange rate (THB:USD)	30.01	-	-	-	-	30.01
Average fixed rate (%)	1.31	-	-	-	-	1.31
Cross currency swap (THB:YEN) - hedge YEN fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	3,634	7,269	15,313	-	26,216
Average foreign exchange rate (THB:YEN)	-	0.29	0.28	0.27	-	0.28
Average fixed rate (%)	-	1.53	1.81	2.07	-	1.92
Cross currency swap (THB:EUR) - hedge EUR fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	456	-	4,498	4,754	-	9,708
Average foreign exchange rate (THB:EUR)	36.54	-	37.47	36.67	-	37.04
Average fixed rate (%)	1.86	-	1.04	2.25	-	1.66
Cross currency swap (THB:EUR) - hedge EUR floating-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	-	1,312	-	1,312
Average foreign exchange rate (THB:EUR)	-	-	-	39.41	-	39.41
Average fixed rate (%)	-	-	-	1.18	-	1.18
Cross currency swap (THB:MYR) - hedge MYR fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	4,599	1,483	-	6,082
Average foreign exchange rate (THB:MYR)	-	-	7.82	7.93	-	7.85
Average fixed rate (%)	-	-	2.14	2.44	-	2.21

Type of risk	Consolidated and separate financial statements					
	31 December 2022					
	Remaining time to maturity					
	Less than 1 month	1 to 3 months	Over 3 months to 1 year	Over 1 to 5 years	Over 5 years	Total
<u>Fair value hedges - interest rate risk</u>						
Interest rate swap - hedge THB fixed-rate borrowings						
Notional amount (Unit: Million Baht)	-	1,200	7,539	32,082	430	41,251
Average fixed rate (%)	-	0.85	0.56	1.52	1.79	1.33
Average floating rate (%)	-	0.64	1.10	1.25	1.31	1.21
Interest rate swap - hedge USD fixed-rate borrowings						
Notional amount (Unit: Million Baht)	-	-	2,074	25,019	-	27,093
Average fixed rate (%)	-	-	0.59	4.17	-	3.89
Average floating rate (%)	-	-	4.03	6.50	-	6.31
Interest rate swap - hedge THB fixed-rate loans to customers						
Notional amount (Unit: Million Baht)	-	-	-	-	2,677	2,677
Average fixed rate (%)	-	-	-	-	3.58	3.58
Average floating rate (%)	-	-	-	-	3.63	3.63
Interest rate swap option - hedge THB fixed-rate loans to customers						
Notional amount (Unit: Million Baht)	-	75	-	-	-	75
Average fixed rate (%)	-	4.65	-	-	-	4.65
Average floating rate (%)	-	3.63	-	-	-	3.63
Interest rate swap option - hedge THB fixed-rate borrowings						
Notional amount (Unit: Million Baht)	-	-	11,623	22,705	-	34,328
Average fixed rate (%)	-	-	2.26	2.21	-	2.23
Average floating rate (%)	-	-	1.24	1.24	-	1.24
<u>Fair value hedges - foreign exchange rate risk</u>						
Foreign currency swap contract - hedge EUR investments in equity securities						
Notional amount (Unit: Million Baht)	-	9	-	-	-	9
Average foreign exchange rate (THB:EUR)	-	37.33	-	-	-	37.33
Foreign currency swap contract - hedge USD investments in equity securities						
Notional amount (Unit: Million Baht)	-	3,283	-	-	-	3,283
Average foreign exchange rate (THB:USD)	-	37.01	-	-	-	37.01

Type of risk	Consolidated and separate financial statements					
	31 December 2022					
	Remaining time to maturity					
	Less than 1 month	1 to 3 months	Over 3 months to 1 year	Over 1 to 5 years	Over 5 years	Total
Cash flow hedges - interest rate risk						
Interest rate swap option - hedge EUR floating-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	-	1,271	-	1,271
Cash flow hedges - interest rate and foreign exchange rate risk						
Cross currency swap (THB:USD) - hedge USD fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	691	7,051	-	7,742
Average foreign exchange rate (THB:USD)	-	-	30.22	32.91	-	32.67
Average fixed rate (%)	-	-	3.57	1.86	-	2.00
Cross currency swap (THB:USD) - hedge USD floating-rate investments in debt securities						
Notional amount (Unit: Million Baht)	2,004	3,975	242	1,728	-	7,949
Average foreign exchange rate (THB:USD)	30.97	31.24	31.43	30.01	-	30.91
Average fixed rate (%)	1.41	1.27	1.35	1.31	-	1.32
Cross currency swap (THB:YEN) - hedge YEN fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	2,609	3,914	24,265	-	30,788
Average foreign exchange rate (THB:YEN)	-	0.30	0.29	0.28	-	0.28
Average fixed rate (%)	-	1.02	1.27	1.81	-	1.67
Cross currency swap (THB:EUR) - hedge EUR fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	-	9,400	-	9,400
Average foreign exchange rate (THB:EUR)	-	-	-	37.04	-	37.04
Average fixed rate (%)	-	-	-	1.66	-	1.66
Cross currency swap (THB:EUR) - hedge EUR floating-rate investments in debt securities						
Notional amount (Unit: Million Baht)	921	-	-	1,270	-	2,191
Average foreign exchange rate (THB:EUR)	33.69	-	-	39.41	-	37.01
Average fixed rate (%)	1.73	-	-	1.18	-	1.39
Cross currency swap (THB:MYR) - hedge MYR fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	1,566	-	6,421	-	7,987
Average foreign exchange rate (THB:MYR)	-	7.40	-	7.85	-	7.76
Average fixed rate (%)	-	2.61	-	2.21	-	2.29

During the year ended 31 December 2023, there was no forecast transactions that is expected to be discontinued hedge as it was not expected to occur in the current year.

The following table provides a reconciliation by risk categories of other components of equity, resulting from hedge accounting.

(Unit: Million Baht)

Consolidated and separate financial statements			
31 December 2023			
	Cash flow hedge reserve	Gains (losses) from deferred cost of hedging	Total
Balance as at 1 January 2023 - net income tax	406	(104)	302
Effective portion of changes in fair value:			
Interest rate and foreign exchange rate risk	1,375	-	1,375
Net amount reclassified to profit or loss:			
Interest rate and foreign exchange rate risk	(1,850)	-	(1,850)
Changes in deferred cost of hedging	-	249	249
Related income tax	95	(50)	45
Balance as at 31 December 2023 - net income tax	26	95	121

(Unit: Million Baht)

Consolidated and separate financial statements			
31 December 2022			
	Cash flow hedge reserve	Gains (losses) from deferred cost of hedging	Total
Balance as at 1 January 2022 - net income tax	142	(75)	67
Effective portion of changes in fair value:			
Interest rate and foreign exchange rate risk	3,321	-	3,321
Net amount reclassified to profit or loss:			
Interest rate and foreign exchange rate risk	(2,992)	-	(2,992)
Changes in deferred cost of hedging	-	(36)	(36)
Related income tax	(65)	7	(58)
Balance as at 31 December 2022 - net income tax	406	(104)	302

8.6 Investments - net

The detail of investments of the Bank and its subsidiaries as of 31 December 2023 and 2022 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Investments in debt securities measured at amortised cost	1,218	950	220	249
Investments in debt securities measured at fair value through other comprehensive income	246,760	258,350	247,653	259,553
Investments in equity securities designated at fair value through other comprehensive income	15,730	17,755	15,728	17,752
	<u>263,708</u>	<u>277,055</u>	<u>263,601</u>	<u>277,554</u>

8.6.1 Investments in debt securities measured at amortised cost

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Amortised cost		Amortised cost	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Government and state enterprise securities	998	701	-	-
Private enterprise debt securities	36	36	36	36
Foreign debt securities	222	251	222	251
Total	1,256	988	258	287
<u>Less</u> Allowance for expected credit losses	(38)	(38)	(38)	(38)
Total	<u>1,218</u>	<u>950</u>	<u>220</u>	<u>249</u>

8.6.2 Investments in debt securities measured at fair value through other comprehensive income

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Fair value		Fair value	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Government and state enterprise securities	176,371	182,895	176,371	182,895
Private enterprise debt securities	8,346	8,255	9,239	9,458
Foreign debt securities	62,043	67,200	62,043	67,200
Total	246,760	258,350	247,653	259,553
Allowance for expected credit losses	(945)	(945)	(945)	(945)

8.6.3 Investments in equity securities designated at fair value through other comprehensive income

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2023		31 December 2022	
	Fair value	Dividend income	Fair value	Dividend income
Domestic marketable equity securities	9,686	261	12,549	282
Foreign marketable equity securities	4,152	23	3,392	20
Domestic non-marketable equity securities	1,882	22	1,805	19
Foreign non-marketable equity securities	10	2	9	1
Total	15,730	308	17,755	322

(Unit: Million Baht)

	Separate financial statements			
	31 December 2023		31 December 2022	
	Fair value	Dividend income	Fair value	Dividend income
Domestic marketable equity securities	9,686	261	12,549	282
Foreign marketable equity securities	4,152	23	3,392	20
Domestic non-marketable equity securities	1,880	22	1,802	19
Foreign non-marketable equity securities	10	2	9	1
Total	15,728	308	17,752	322

During the year ended 31 December 2023, the Bank sold its investments in equity securities designated at fair value through other comprehensive income with the fair value on the disposal date of Baht 20 million. The accumulated gains previously recognised in other comprehensive income of Baht 1 million were transferred to retained earnings. The Bank received dividends of Baht 6 million from such investments

- 8.6.4 The Bank and its subsidiaries have investments in securities which the Bank hold not less than 10 percent of the equity of the investee, classified by industrial sector and represented at their fair value as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements	
	31 December 2023	31 December 2022
Public utilities and services	136	136
Mutual funds and REIT	1,543	1,538

- 8.6.5 As at 31 December 2023 and 2022, investments of the Bank and its subsidiaries in the consolidated and separate financial statements include investments in companies which have problems with their financial position and operating performance, as follows:

	Consolidated and separate financial statements							
	Number		Cost		Fair value		Allowance for expected credit losses; allowance for impairment provided in the accounts	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies that are possible to delisting from the SET	2	2	832	832	32	36	847	847
2. Companies which have debt settlement problems or default on debt repayment	2	2	115	115	-	-	115	115

8.7 Investments in subsidiaries and associated companies - net

8.7.1 Separate financial statements

(Unit: Million Baht)

			Percentages of shareholdings		Investments (Cost method)		Dividend for the years ended	
			31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Name of company	Type of business	Type of shares						
Subsidiaries								
Directly held								
Krungthai Law Co., Ltd.	Legal services	Ordinary	100.00	100.00	30	30	-	-
KTB General Services and Security Co., Ltd.	General services	Ordinary	100.00	100.00	140	140	62	183
Krung Thai Asset Management Plc.	Fund management	Ordinary	100.00	100.00	211	211	700	750
Krungthai Computer Services Co., Ltd.	IT services	Ordinary	100.00	100.00	1,300	1,300	146	156
KTB Advisory Co., Ltd.	Holding company	Ordinary	76.00	76.00	228	228	-	-
Krungthai Card Plc.	Credit card business	Ordinary	49.29	49.29	2,150	2,150	1,462	1,271
KTB Leasing Co., Ltd. ⁽¹⁾	Hire purchase	Ordinary	24.95	24.95	249	249	-	-
KTC Nano Co., Ltd. ⁽¹⁾	Nano finance	Ordinary	24.95	24.95	13	13	-	-
KTC Prepaid Co., Ltd. ⁽¹⁾	Electronic money services	Ordinary	24.95	24.95	25	25	-	-
Indirect held								
KTC Pico (Bangkok) Co., Ltd. ⁽²⁾	Personal loan	Ordinary	-	24.95	-	15	-	-
KTC Pico (Chonburi) Co., Ltd. ^{(2),(5)}	Dissolution of business				-	-	-	-
KTC Pico (Pathum Thani) Co., Ltd. ^{(2),(5)}	Dissolution of business				-	-	-	-
KTC Pico (Samut Prakan) Co., Ltd. ^{(2),(5)}	Dissolution of business				-	-	-	-
KTC Pico (Samut Sakhon) Co., Ltd. ^{(2),(5)}	Dissolution of business				-	-	-	-
Infinitas by Krungthai Co., Ltd. ⁽³⁾	Digital platform services				-	-	-	-
Arise by Infinitas Co., Ltd. ⁽⁴⁾	Human resource technology services				-	-	-	-
Total					4,346	4,361	2,370	2,360
Less Allowance for impairment					(77)	(53)	-	-
Total					4,269	4,308	2,370	2,360
Associated companies								
Krungthai-AXA Life Insurance Plc.	Life insurance	Ordinary	50.00	50.00	4,072	4,072	-	-
Krungthai Panich Insurance Plc.	Non-life insurance	Ordinary	45.00	45.00	1,519	1,519	275	238
Krungthai Mizuho Leasing Co., Ltd.	Hire purchase	Ordinary	49.00	49.00	87	87	66	65
Krungthai XSpring Securities Co., Ltd.	Securities business	Ordinary	50.00	50.00	1,069	1,069	-	193
National ITMX Co., Ltd.	Services	Ordinary	23.02	19.97	161	39	225	129
BCI (Thailand) Co., Ltd.	Services	Ordinary	22.17	22.17	117	117	-	-
Total					7,025	6,903	566	625
Less Allowance for impairment					(48)	(35)	-	-
Total					6,977	6,868	566	625
Investments in subsidiaries and associates - net					11,246	11,176	2,936	2,985

(1) The Bank has 24.95 percent shareholding in KTB Leasing Co., Ltd., KTC Nano Co., Ltd., KTC Prepaid Co., Ltd. and has indirect holdings of 49.29 percent through Krungthai Card Plc., and which Krungthai Card Plc. held 75.05 percent in KTB Leasing Co., Ltd., KTC Nano Co., Ltd., KTC Prepaid Co., Ltd.

(2) On 30 October 2023, the Bank sold all ordinary shares of KTC Pico (Bangkok) Co., Ltd. to Krungthai Card Plc., resulted in the Bank became the indirect shareholder through Krungthai Card Plc. and KTC Pico (Bangkok) Co., Ltd. invested in the 100% shareholdings of KTC Pico (Chonburi) Co., Ltd., KTC Pico (Pathum Thani) Co., Ltd., KTC Pico (Samut Prakan) Co., Ltd. and KTC Pico (Samut Sakhon) Co., Ltd.

(3) The Bank, indirectly invested by KTB Advisory Co., Ltd., which invested in the 100% shareholdings of Infinitas by Krungthai Co., Ltd.

(4) The Bank, indirectly invested by Infinitas by Krungthai Co., Ltd. which invested in the 51% shareholdings of Arise by Infinitas Co., Ltd.

(5) During December 2023, KTC Pico (Chonburi) Co., Ltd., KTC Pico (Pathum Thani) Co., Ltd., KTC Pico (Samut Sakhon) Co., Ltd. and KTC Pico (Samut Prakan) Co., Ltd. have registered its dissolution with the Ministry of Commerce and the liquidation was completed in February 2024.

Details of investments in subsidiaries companies that have non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Dividend paid to non-controlling interests during the years ended 31 December		Profit allocated to non-controlling interests during the years ended 31 December		Other comprehensive income allocated to non-controlling interests during the years ended 31 December		Share of deficit from the changes in the ownership interests in subsidiaries during the years ended 31 December	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	2023	2022	2023	2022	2023	2022	2023	2022
	(%)	(%)										
Krungthai Card Plc.	50.71	50.71	18,338	16,162	1,503	1,307	3,675	3,581	(2)	5	6	-
KTb Advisory Co., Ltd.	12.17	12.17	37	37	-	-	-	-	-	-	-	-
Infinitas by Krungthai Co., Ltd.	12.17	12.17	53	28	-	-	24	19	1	2	-	-
Arise by Infinitas Co., Ltd.	55.21	55.21	42	40	-	-	6	(92)	(4)	-	-	-
			18,470	16,267	1,503	1,307	3,705	3,508	(5)	7	6	-

Summarised financial information, before eliminating intercompany transactions, of subsidiaries companies that have significant non-controlling interests are as follows:

(Unit: Million Baht)

	Krungthai Card Plc.	
	31 December 2023	31 December 2022
<u>Summarised information about financial position</u>		
Total assets	112,814	101,796
Total liabilities	76,968	70,220

(Unit: Million Baht)

	Krungthai Card Plc.	
	For the years ended 31 December	
	2023	2022
<u>Summarised information about comprehensive income</u>		
Net operating income	10,724	10,246
Profit for the year	7,250	7,054
Other comprehensive income	(3)	16
Total comprehensive income	7,247	7,070
<u>Summarised information about cash flow</u>		
Cash flow from (used in) operating activities	2,103	(4,277)
Cash flow from (used in) investing activities	(349)	(226)
Cash flow from (used in) financing activities	1,408	4,322

8.7.2 Consolidated financial statements

As at 31 December 2023 and 2022, investment in the associated companies, which presented under the equity method, in the consolidated financial statements consists of investment in ordinary shares of the following companies which operate in Thailand:

(Unit: Million Baht)

Name of company	31 December 2023			31 December 2022		
	Percentages of shareholdings	Investments (cost method)	Investment (equity method)	Percentages of shareholdings	Investments (cost method)	Investment (equity method)
Associated companies						
Krungthai-AXA Life Insurance Plc.	50.00	594	7,016	50.00	594	5,728
Krungthai Panich Insurance Plc.	45.00	971	3,073	45.00	971	3,562
Krungthai Mizuho Leasing Co., Ltd.	49.00	87	972	49.00	87	944
Krungthai XSpring Securities Co., Ltd.	50.00	1,069	1,253	50.00	1,069	1,203
National ITMX Co., Ltd.	23.02	161	1,161	19.97	39	813
BCI (Thailand) Co., Ltd.	22.17	117	58	22.17	117	70
Total investments in associated companies - net		2,999	13,533		2,877	12,320

(Unit: Million Baht)

Name of company	For the years ended 31 December					
	2023			2022		
	Dividend income	Share of profit (loss)	Share of other comprehensive income	Dividend income	Share of profit (loss)	Share of other comprehensive income
Associated companies						
Krungthai-AXA Life Insurance Plc. ⁽¹⁾	-	527	761	-	231	(9,412)
Krungthai Panich Insurance Plc. ⁽¹⁾	275	243	(457)	238	314	(694)
Krungthai Mizuho Leasing Co., Ltd.	66	94	-	65	143	-
Krungthai XSpring Securities Co., Ltd.	-	50	-	193	85	(19)
National ITMX Co., Ltd.	225	451	-	129	334	-
BCI (Thailand) Co., Ltd.	-	(12)	-	-	(12)	-
Total investments in associated companies - net	566	1,353	304	625	1,095	(10,125)

(1) Presents in the amount after adjustment for the effect of differences in accounting policies.

Investments in associated companies are accounted in the consolidated financial statements by using the equity method based on financial information from unaudited/unreviewed financial statements of the associated companies.

8.7.3 Significant financial information of the associated companies

Summarised information about financial position

(Unit: Million Baht)

	Krungthai AXA Life Insurance Plc.		Krungthai Panich Insurance Plc.		Krungthai Mizuho Leasing Co., Ltd.	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Total assets	301,361	308,274	13,833	14,767	18,316	16,963
Total liabilities	287,329	296,818	7,004	6,851	16,332	15,037
Net assets	14,032	11,456	6,829	7,916	1,984	1,926
Shareholding percentage (%)	50.00	50.00	45.00	45.00	49.00	49.00
Carrying amounts of the associate based on equity method	7,016	5,728	3,073	3,562	972	944

(Unit: Million Baht)

	Krungthai XSpring Securities Co., Ltd.		National ITMX Co., Ltd.		BCI (Thailand) Co., Ltd.	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Total assets	6,628	10,230	5,825	4,596	288	333
Total liabilities	4,123	7,825	806	527	26	16
Net assets	2,505	2,405	5,019	4,069	262	317
Shareholding percentage (%)	50.00	50.00	23.02	19.97	22.17	22.17
Share of net assets	1,253	1,203	1,155	813	58	70
Adjustment	-	-	6	-	-	-
Carrying amounts of the associate based on equity method	1,253	1,203	1,161	813	58	70

Summarised information about comprehensive income

(Unit: Million Baht)

	For the years ended 31 December					
	Krungthai-AXA Life Insurance Plc. ⁽¹⁾		Krungthai Panich Insurance Plc. ⁽¹⁾		Krungthai Mizuho Leasing Co., Ltd.	
	2023	2022	2023	2022	2023	2022
Revenue	51,760	53,635	3,652	3,517	1,072	1,256
Profit (loss)	1,056	462	538	698	193	291
Other comprehensive income	1,520	(18,825)	(1,015)	(1,542)	-	-
Total comprehensive income	2,576	(18,363)	(477)	(844)	193	291

(Unit: Million Baht)

	For the years ended 31 December					
	Krungthai XSpring Securities Co., Ltd.		National ITMX Co., Ltd.		BCI (Thailand) Co., Ltd.	
	2023	2022	2023	2022	2023	2022
Revenue	1,200	1,552	3,732	2,882	35	32
Profit (loss)	100	169	2,076	1,673	(54)	(51)
Other comprehensive income	-	(38)	-	-	-	-
Total comprehensive income	100	131	2,076	1,673	(54)	(51)

(1) Presents in the amount after adjustment for the effect of differences in accounting policies.

8.8 Loans to customers and accrued interest receivables - net

8.8.1 Classified by type of loans

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Overdrafts	148,258	148,371	148,258	148,371
Loans	1,774,663	1,778,011	1,676,786	1,684,813
Bills	647,522	661,794	650,302	667,024
Hire-purchase receivables	3,385	2,504	-	-
Finance lease receivables	330	402	-	-
Others	2,973	2,288	2,973	2,288
<u>Less</u> Deferred revenue	(615)	(532)	(89)	(75)
Total loans to customers net of deferred revenue	2,576,516	2,592,838	2,478,230	2,502,421
<u>Add</u> Accrued interest receivables	22,902	25,372	22,215	24,690
Total loans to customers net of deferred revenue, plus accrued interest receivables	2,599,418	2,618,210	2,500,445	2,527,111
<u>Less</u> Allowance for expected credit losses	(173,323)	(174,378)	(163,746)	(165,834)
Total loans to customers and accrued interest receivables - net	2,426,095	2,443,832	2,336,699	2,361,277

As at 31 December 2023, the Bank has loans to customers including loans with modification of contracts, that the Bank has elected to adopt Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19 in the preparation of the financial statements, representing 8 percent of total loans (31 December 2022: 7 percent of total loans).

As at 31 December 2023, the Bank has loans to customers, includes interbank and money market items, made under programs rolled out in accordance with government policy. These consist of a soft loans program to provide working capital for SMEs, a soft loans program for replacement and improvement of machinery and increased productivity for SMEs, a program to provide financial support for entrepreneurs in the three Southern border provinces, a phase 6 of a program for financial institutions to provide revolving funds for energy conservation, a project to provide loans for the environment, COVID-19 soft loans for personal loan and SMEs and rehabilitation loan, together totalled Baht 19,547 million.

8.8.2 Classified by loans currency and residence

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2023			31 December 2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,508,089	21,864	2,529,953	2,504,506	22,402	2,526,908
US Dollar	7,873	37,453	45,326	16,025	48,825	64,850
Other currencies	517	720	1,237	490	590	1,080
Total*	<u>2,516,479</u>	<u>60,037</u>	<u>2,576,516</u>	<u>2,521,021</u>	<u>71,817</u>	<u>2,592,838</u>

* Total loans net of deferred revenues

(Unit: Million Baht)

	Separate financial statements					
	31 December 2023			31 December 2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,409,803	21,864	2,431,667	2,414,089	22,402	2,436,491
US Dollar	7,873	37,453	45,326	16,025	48,825	64,850
Other currencies	517	720	1,237	490	590	1,080
Total*	<u>2,418,193</u>	<u>60,037</u>	<u>2,478,230</u>	<u>2,430,604</u>	<u>71,817</u>	<u>2,502,421</u>

* Total loans net of deferred revenues

8.8.3 Classified by business type of customers

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Agriculture and mining	30,226	31,045	30,136	30,888
Manufacturing and trading	538,911	572,762	538,828	572,636
Real estate and construction	142,277	140,377	142,142	140,143
Public utilities and services	613,321	656,881	613,991	658,317
Housing loans	484,589	472,640	484,589	472,640
Others	767,192	719,133	668,544	627,797
Total *	<u>2,576,516</u>	<u>2,592,838</u>	<u>2,478,230</u>	<u>2,502,421</u>

* Total loans net of deferred revenues

8.8.4 Classified by loans classification

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2023		31 December 2022	
	Loans to customers and accrued interest receivables	Allowance for expected credit losses	Loans to customers and accrued interest receivables	Allowance for expected credit losses
Financial assets where there has not been a significant increase in credit risk (Performing)	2,295,515	47,237	2,289,507	44,720
Financial assets where there has been a significant increase in credit risk (Under-Performing)	201,919	56,906	217,522	52,526
Financial assets that are credit-impaired (Non-Performing)	98,795	68,348	108,732	76,508
Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	3,189	832	2,449	624
Total	2,599,418	173,323	2,618,210	174,378

(Unit: Million Baht)

	Separate financial statements			
	31 December 2023		31 December 2022	
	Loans to customers and accrued interest receivables	Allowance for expected credit losses	Loans to customers and accrued interest receivables	Allowance for expected credit losses
Financial assets where there has not been a significant increase in credit risk (Performing)	2,214,809	42,963	2,214,314	40,720
Financial assets where there has been a significant increase in credit risk (Under-Performing)	188,722	53,686	205,728	49,744
Financial assets that are credit-impaired (Non-Performing)	96,914	67,097	107,069	75,370
Total	2,500,445	163,746	2,527,111	165,834

8.8.5 As at 31 December 2023 and 2022, loans to customers of the Bank and its subsidiaries in the consolidated and separate financial statements include major loans to customers, which have problems with their financial position and operating performance, as follows:

Consolidated and separate financial statements					
Number		Loans to customers and accrued interest receivables		Allowance for expected credit losses provided in the accounts	
31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
		Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies that are possible to delisting from the SET	1	1	5,705	5,705	5,705
2. Listed companies that have been delisted from the SET	1	1	7,888	8,714	3,228

8.8.6 Finance lease receivables (including hire-purchase receivables and finance lease receivables)

(Unit: Million Baht)

	Consolidated financial statements							
	31 December 2023				31 December 2022			
	Amount due per the contract				Amount due per the contract			
	Not over 1 year	1 - 5 years	Over 5 years	Total	Not over 1 year	1 - 5 years	Over 5 years	Total
Gross investment of leases	1,373	2,267	75	3,715	1,001	1,778	127	2,906
<u>Less</u> Unearned financial income				(526)				(457)
Present value of minimum lease payments				3,189				2,449
<u>Less</u> Allowance for expected credit losses				(832)				(624)
Finance lease receivables - net				2,357				1,825

8.9 Allowance for expected credit losses

(Unit: Million Baht)

Consolidated financial statements				
31 December 2023				
Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculate expected credit losses (Lifetime ECL - simplified approach)	Total
Interbank and money market items (assets)				
Beginning balance	2,853	54	-	2,907
Changes due to staging of financial assets	(2)	2	-	-
Changes due to remeasurement of loss allowance	(153)	20	-	(133)
New financial assets purchased or acquired	340	12	-	352
Derecognition of financial assets	(111)	(37)	-	(148)
Ending balance	2,927	51	-	2,978
Investments in debt securities measured at amortised cost				
Beginning balance	-	2	36	38
Changes due to remeasurement of loss allowance	-	(1)	-	(1)
New financial assets purchased or acquired	-	2	-	2
Derecognition of financial assets	-	(1)	-	(1)
Ending balance	-	2	36	38
Investments in debt securities measured at fair value through other comprehensive income				
Beginning balance	19	-	926	945
Changes due to remeasurement of loss allowance	(6)	-	-	(6)
New financial assets purchased or acquired	10	-	-	10
Derecognition of financial assets	(4)	-	-	(4)
Ending balance	19	-	926	945
Loans to customers and accrued interest receivables				
Beginning balance	44,720	52,526	76,508	174,378
Changes due to staging of financial assets	(2,225)	(5,118)	7,343	-
Changes due to remeasurement of loss allowance	2,087	11,015	14,484	27,926
New financial assets purchased or acquired	5,682	3,982	823	10,619
Derecognition of financial assets	(3,027)	(5,499)	(1,727)	(10,297)
Bad debt written-off	-	-	(29,083)	(29,303)
Ending balance	47,237	56,906	68,348	173,323

(Unit: Million Baht)

	Consolidated financial statements				
	31 December 2022				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	Total
Interbank and money market items (assets)					
Beginning balance	2,198	86	-	-	2,284
Changes due to staging of financial assets	3	(3)	-	-	-
Changes due to remeasurement of loss allowance	788	(29)	-	-	759
New financial assets purchased or acquired	127	19	-	-	146
Derecognition of financial assets	(263)	(19)	-	-	(282)
Ending balance	2,853	54	-	-	2,907
Investments in debt securities measured at amortised cost					
Beginning balance	-	10	36	-	46
New financial assets purchased or acquired	-	2	-	-	2
Derecognition of financial assets	-	(10)	-	-	(10)
Ending balance	-	2	36	-	38
Investments in debt securities measured at fair value through other comprehensive income					
Beginning balance	34	-	926	-	960
Changes due to remeasurement of loss allowance	(9)	-	-	-	(9)
New financial assets purchased or acquired	9	-	-	-	9
Derecognition of financial assets	(15)	-	-	-	(15)
Ending balance	19	-	926	-	945
Loans to customers and accrued interest receivables					
Beginning balance	44,722	48,923	77,334	2,343	173,322
Changes due to staging of financial assets	2,070	(3,575)	1,505	-	-
Changes due to remeasurement of loss allowance	(2,738)	8,080	20,588	258	26,188
New financial assets purchased or acquired	4,062	6,408	950	39	11,459
Derecognition of financial assets	(3,396)	(7,310)	(2,885)	(174)	(13,765)
Bad debt written-off	-	-	(20,984)	(1,842)	(22,826)
Ending balance	44,720	52,526	76,508	624	174,378

(Unit: Million Baht)

	Separate financial statements			
	31 December 2023			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items (assets)				
Beginning balance	2,853	54	-	2,907
Changes due to staging of financial assets	(2)	2	-	-
Changes due to remeasurement of loss allowance	(153)	20	-	(133)
New financial assets purchased or acquired	340	12	-	352
Derecognition of financial assets	(111)	(37)	-	(148)
Ending balance	2,927	51	-	2,978
Investments in debt securities measured at amortised cost				
Beginning balance	-	2	36	38
Changes due to remeasurement of loss allowance	-	(1)	-	(1)
New financial assets purchased or acquired	-	2	-	2
Derecognition of financial assets	-	(1)	-	(1)
Ending balance	-	2	36	38
Investments in debt securities measured at fair value through other comprehensive income				
Beginning balance	19	-	926	945
Changes due to remeasurement of loss allowance	(6)	-	-	(6)
New financial assets purchased or acquired	10	-	-	10
Derecognition of financial assets	(4)	-	-	(4)
Ending balance	19	-	926	945
Loans to customers and accrued interest receivables				
Beginning balance	40,720	49,744	75,370	165,834
Changes due to staging of financial assets	(2,581)	(4,702)	7,283	-
Changes due to remeasurement of loss allowance	2,477	9,339	8,942	20,758
New financial assets purchased or acquired	5,013	3,981	822	9,816
Derecognition of financial assets	(2,666)	(4,676)	(941)	(8,283)
Bad debt written-off	-	-	(24,379)	(24,379)
Ending balance	42,963	53,686	67,097	163,746

(Unit: Million Baht)

Separate financial statements				
31 December 2022				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items (assets)				
Beginning balance	2,198	86	-	2,284
Changes due to staging of financial assets	3	(3)	-	-
Changes due to remeasurement of loss allowance	788	(29)	-	759
New financial assets purchased or acquired	127	19	-	146
Derecognition of financial assets	(263)	(19)	-	(282)
Ending balance	2,853	54	-	2,907
Investments in debt securities measured at amortised cost				
Beginning balance	-	10	36	46
New financial assets purchased or acquired	-	2	-	2
Derecognition of financial assets	-	(10)	-	(10)
Ending balance	-	2	36	38
Investments in debt securities measured at fair value through other comprehensive income				
Beginning balance	34	-	926	960
Changes due to remeasurement of loss allowance	(9)	-	-	(9)
New financial assets purchased or acquired	9	-	-	9
Derecognition of financial assets	(15)	-	-	(15)
Ending balance	19	-	926	945
Loans to customers and accrued interest receivables				
Beginning balance	40,824	46,558	76,268	163,650
Changes due to staging of financial assets	1,719	(3,197)	1,478	-
Changes due to remeasurement of loss allowance	(2,147)	6,643	15,869	20,365
New financial assets purchased or acquired	3,440	6,408	950	10,798
Derecognition of financial assets	(3,116)	(6,668)	(2,138)	(11,922)
Bad debt written-off	-	-	(17,057)	(17,057)
Ending balance	40,720	49,744	75,370	165,834

8.10 Properties for sale - net

Properties for sale as of 31 December 2023 and 2022 are summarised as follows:

(Unit: Million Baht)

Type of properties for sale	Consolidated financial statements							
	31 December 2023				31 December 2022			
	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance
Assets from debt repayment								
Immovable properties	49,854	875	(2,832)	47,897	47,088	5,695	(2,929)	49,854
Movable assets	164	98	(200)	62	145	229	(210)	164
Total	50,018	973	(3,032)	47,959	47,233	5,924	(3,139)	50,018
Others (closed branches)	335	209	(214)	330	470	103	(238)	335
Properties for sale in transit	-	-	-	-	340	567	(907)	-
Total properties for sale	50,353	1,182	(3,246)	48,289	48,043	6,594	(4,284)	50,353
<u>Less</u> Allowance for impairment	(9,524)	(4,716)	811	(13,429)	(8,816)	(1,493)	785	(9,524)
Properties for sale - net	40,829	(3,534)	(2,435)	34,860	39,227	5,101	(3,499)	40,829

(Unit: Million Baht)

Type of properties for sale	Separate financial statements							
	31 December 2023				31 December 2022			
	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance
Assets from debt repayment								
Immovable properties	49,854	875	(2,832)	47,897	47,088	5,695	(2,929)	49,854
Movable assets	11	-	-	11	11	-	-	11
Total	49,865	875	(2,832)	47,908	47,099	5,695	(2,929)	49,865
Others (closed branches)	335	209	(214)	330	470	103	(238)	335
Properties for sale in transit	-	-	-	-	340	567	(907)	-
Total properties for sale	50,200	1,084	(3,046)	48,238	47,909	6,365	(4,074)	50,200
<u>Less</u> Allowance for impairment	(9,410)	(4,652)	675	(13,387)	(8,726)	(1,290)	606	(9,410)
Properties for sale - net	40,790	(3,568)	(2,371)	34,851	39,183	5,075	(3,468)	40,790

During the years ended 31 December 2023 and 2022, the Bank had gains on disposal of properties for sale totaling Baht 197 million and Baht 360 million, respectively (excluding revenue from ownership transfer fees paid by customers totaling Baht 33 million and Baht 43 million, respectively, and selling expenses of Baht 220 million and Baht 236 million, respectively).

Immovable properties for sale classified by external and internal appraisers as at 31 December 2023 and 2022 consist of the following:

(Unit: Million Baht)

	Consolidated and separate financial statements	
	31 December 2023	31 December 2022
Immovable properties for sale - assets from debt repayment		
Appraised by external appraisers	47,235	48,933
Appraised by internal appraisers	662	921
Total	47,897	49,854

As at 31 December 2023, the Bank has properties for sale which participated in the BOT's financial restructuring program for providing assistance and rehabilitation of business entrepreneurs affected by the coronavirus disease 2019 outbreak, whereby it entered into a contract to accept the transfer of legal ownership rights in settlement of loans amounting to Baht 11,791 million. Debtor who is participating in the program has entered into the contract to lease back its assets from the Bank for use in its operations and has been granted rights to purchase its assets back within 3 - 5 years at the purchase price plus the cost of maintenance the assets and other expenses related to the maintenance of the assets, less rental fee (2022: Baht 11,686 million).

8.11 Land, premises and equipment - net

Movement of land, premises and equipment for the years ended 31 December 2023 and 2022 are as follows:

(Unit: Million Baht)

Consolidated financial statements						
31 December 2023						
	Land		Premises	Equipment	Others	Total
	Cost	Revaluation*				
<u>Cost</u>						
1 January 2023	5,748	17,639	12,235	23,246	1,429	60,297
Additions/transfers-in	-	-	193	1,867	1,366	3,426
Disposals/transfers-out	(47)	(57)	(39)	(758)	(1,234)	(2,135)
Others	-	-	-	(3)	(3)	(6)
31 December 2023	5,701	17,582	12,389	24,352	1,558	61,582
<u>Accumulated depreciation</u>						
1 January 2023	-	-	9,156	19,008	887	29,051
Depreciation	-	-	213	1,780	69	2,062
Disposals	-	-	(34)	(677)	(12)	(723)
Others	-	-	-	(1)	(2)	(3)
31 December 2023	-	-	9,335	20,110	942	30,387
<u>Allowance for impairment</u>						
1 January 2023	30	-	16	-	-	46
Additions	-	-	46	43	-	89
Disposals	(4)	-	-	-	-	(4)
31 December 2023	26	-	62	43	-	131
<u>Net book value</u>						
31 December 2023	5,675	17,582	2,992	4,199	616	31,064
Depreciation for the years ended 31 December						
2022						1,955
2023						2,062

* The Bank has revaluation in 2021.

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2022					
	Land		Premises	Equipment	Others	Total
	Cost	Revaluation*				
<u>Cost</u>						
1 January 2022	5,779	17,694	12,555	23,911	992	60,931
Additions/transfers-in	-	-	123	1,959	537	2,619
Disposals/transfers-out	(31)	(59)	(444)	(2,619)	(93)	(3,246)
Others	-	4	1	(5)	(7)	(7)
31 December 2022	5,748	17,639	12,235	23,246	1,429	60,297
<u>Accumulated depreciation</u>						
1 January 2022	-	-	9,013	19,529	824	29,366
Depreciation	-	-	214	1,669	72	1,955
Disposals	-	-	(71)	(2,185)	(5)	(2,261)
Others	-	-	-	(5)	(4)	(9)
31 December 2022	-	-	9,156	19,008	887	29,051
<u>Allowance for impairment</u>						
1 January 2022	31	-	16	-	-	47
Disposals	(1)	-	-	-	-	(1)
31 December 2022	30	-	16	-	-	46
<u>Net book value</u>						
31 December 2022	5,718	17,639	3,063	4,238	542	31,200
Depreciation for the years ended 31 December						
2021						1,849
2022						1,955

* The Bank has revaluation in 2021.

(Unit: Million Baht)

	Separate financial statements					
	31 December 2023					
	Land					
	Cost	Revaluation*	Premises	Equipment	Others	Total
<u>Cost</u>						
1 January 2023	5,961	17,275	11,106	13,718	1,421	49,481
Additions/transfers-in	-	-	39	1,277	1,122	2,438
Disposals/transfers-out	(47)	(57)	(25)	(111)	(1,102)	(1,342)
Others	-	-	-	(3)	(3)	(6)
31 December 2023	5,914	17,218	11,120	14,881	1,438	50,571
<u>Accumulated depreciation</u>						
1 January 2023	-	-	8,417	11,471	887	20,775
Depreciation	-	-	132	970	69	1,171
Disposals	-	-	(22)	(110)	(12)	(144)
Others	-	-	-	(1)	(2)	(3)
31 December 2023	-	-	8,527	12,330	942	21,799
<u>Allowance for impairment</u>						
1 January 2023	30	-	16	-	-	46
Additions	-	-	46	43	-	89
Disposals	(4)	-	-	-	-	(4)
31 December 2023	26	-	62	43	-	131
<u>Net book value</u>						
31 December 2023	5,888	17,218	2,531	2,508	496	28,641
Depreciation for the years ended 31 December						
2022						991
2023						1,171

* The Bank has revaluation in 2021.

(Unit: Million Baht)

	Separate financial statements					
	31 December 2022					
	Land		Premises	Equipment	Others	Total
	Cost	Revaluation*				
<u>Cost</u>						
1 January 2022	5,992	17,330	11,484	13,782	963	49,551
Additions/transfers-in	-	-	36	964	492	1,492
Disposals/transfers-out	(31)	(59)	(415)	(1,023)	(27)	(1,555)
Others	-	4	1	(5)	(7)	(7)
31 December 2022	5,961	17,275	11,106	13,718	1,421	49,481
<u>Accumulated depreciation</u>						
1 January 2022	-	-	8,313	11,728	824	20,865
Depreciation	-	-	148	771	72	991
Disposals	-	-	(44)	(1,023)	(5)	(1,072)
Others	-	-	-	(5)	(4)	(9)
31 December 2022	-	-	8,417	11,471	887	20,775
<u>Allowance for impairment</u>						
1 January 2022	31	-	16	-	-	47
Disposals	(1)	-	-	-	-	(1)
31 December 2022	30	-	16	-	-	46
<u>Net book value</u>						
31 December 2022	5,931	17,275	2,673	2,247	534	28,660
Depreciation for the years ended 31 December						
2021						1,025
2022						991

* The Bank has revaluation in 2021.

As at 31 December 2023 and 2022, the Bank and its subsidiaries have buildings and equipment which have been fully depreciated but are still in use, with gross carrying amounts before deducting accumulated depreciation and allowance for impairment approximately Baht 19,208 million and Baht 18,173 million, respectively (separate financial statements: Baht 13,089 million and Baht 12,592 million, respectively).

The Bank arranged for an independent appraiser to appraise the value of land in 2021. The basis of the revaluation was market approach.

Assumptions used in the valuation are summarised as follows:

	Consolidated and separate financial statements	Result to fair value whereas an increase in assumption value
Price per square wah (Baht)	3,000 - 2,000,000	Increase in fair value

Surplus on revaluation of assets

Movements in surplus on revaluation of assets arising from revaluation of land of the Bank and its subsidiaries for the years ended 31 December 2023 and 2022 are summarised as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Balance - beginning of the year	14,211	14,296	13,920	14,005
Transfer out during the year	(45)	(85)	(45)	(85)
Balance - end of the year	14,166	14,211	13,875	13,920

Surplus on revaluation of assets can neither be offset against deficit nor used for dividend distribution.

8.12 Leases

The Bank and its subsidiaries have lease contracts for various items of premises, equipment, and vehicles used in its operations. Leases generally have lease terms between 1 - 50 years.

8.12.1 Right-of-use assets - net

Movement of right-of-use assets for the years ended 31 December 2023 and 2022 as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	31 December 2023				
	Premises	Equipment	Vehicles	Software license	Total
<u>Cost</u>					
1 January 2023	4,772	529	1,850	10	7,161
Additions/transfers-in	1,314	368	579	-	2,261
Disposals/transfers-out	(2,049)	(188)	(441)	-	(2,678)
Others	(2)	-	-	-	(2)
31 December 2023	4,035	709	1,988	10	6,742
<u>Accumulated depreciation</u>					
1 January 2023	2,289	276	931	5	3,501
Depreciation	1,538	159	414	3	2,114
Disposals	(2,045)	(184)	(441)	-	(2,670)
31 December 2023	1,782	251	904	8	2,945
<u>Net book value</u>					
31 December 2023	2,253	458	1,084	2	3,797
Depreciation for the years ended 31 December					
2022					2,223
2023					2,114

(Unit: Million Baht)

	Consolidated financial statements				
	31 December 2022				
	Premises	Equipment	Vehicles	Software license	Total
<u>Cost</u>					
1 January 2022	4,839	506	1,791	10	7,146
Additions/transfers-in	1,367	37	251	-	1,655
Disposals/transfers-out	(1,428)	(14)	(192)	-	(1,634)
Others	(6)	-	-	-	(6)
31 December 2022	4,772	529	1,850	10	7,161
<u>Accumulated depreciation</u>					
1 January 2022	2,046	133	693	2	2,874
Depreciation	1,644	157	419	3	2,223
Disposals	(1,401)	(14)	(181)	-	(1,596)
31 December 2022	2,289	276	931	5	3,501
<u>Net book value</u>					
31 December 2022	2,483	253	919	5	3,660
Depreciation for the years ended 31 December					
2021					2,213
2022					2,223

(Unit: Million Baht)

Separate financial statements				
31 December 2023				
	Premises	Vehicles	Software license	Total
<u>Cost</u>				
1 January 2023	4,016	1,726	10	5,752
Additions/transfers-in	715	563	-	1,278
Disposals/transfers-out	(1,661)	(419)	-	(2,080)
Others	(2)	-	-	(2)
31 December 2023	3,068	1,870	10	4,948
<u>Accumulated depreciation</u>				
1 January 2023	1,855	863	5	2,723
Depreciation	1,267	386	3	1,656
Disposals	(1,658)	(419)	-	(2,077)
31 December 2023	1,464	830	8	2,302
<u>Net book value</u>				
31 December 2023	1,604	1,040	2	2,646
Depreciation for the years ended 31 December				
2022				1,804
2023				1,656

(Unit: Million Baht)

Separate financial statements				
31 December 2022				
	Premises	Vehicles	Software license	Total
<u>Cost</u>				
1 January 2022	4,150	1,620	10	5,780
Additions/transfers-in	1,129	236	-	1,365
Disposals/transfers-out	(1,257)	(130)	-	(1,387)
Others	(6)	-	-	(6)
31 December 2022	4,016	1,726	10	5,752
<u>Accumulated depreciation</u>				
1 January 2022	1,687	605	2	2,294
Depreciation	1,413	388	3	1,804
Disposals	(1,245)	(130)	-	(1,375)
31 December 2022	1,855	863	5	2,723
<u>Net book value</u>				
31 December 2022	2,161	863	5	3,029
Depreciation for the years ended 31 December				
2021				1,863
2022				1,804

8.12.2 Lease liabilities

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Lease payments				
Up to 1 years	1,685	1,763	1,249	1,384
Over 1 - 5 years	2,235	1,923	1,364	1,584
Over 5 years	161	159	161	159
Total	4,081	3,845	2,774	3,127
<u>Less:</u> Deferred interest expenses	(240)	(157)	(136)	(124)
Total	3,841	3,688	2,638	3,003

8.12.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Million Baht)			
	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Depreciation expense of right-of-use assets	2,114	2,223	1,656	1,804
Interest expense on lease liabilities	63	84	30	52
Expense relating to short-term leases	642	473	517	332
Expense relating to leases of low-value assets	144	64	86	30
Total	2,963	2,844	2,289	2,218

8.12.4 Others

The Bank and its subsidiaries had total cash outflows for leases for the years ended 31 December 2023 and 2022 of Baht 2,982 million and Baht 2,881 million, respectively (separate financial statements: Baht 2,315 million and Baht 2,265 million, respectively), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

8.13 Intangible assets - net

Movement of intangible assets for the years ended 31 December 2023 and 2022 are summarised as follows:

(Unit: Million Baht)

Consolidated financial statements					
31 December 2023					
	Computer software	Other licenses	Development cost	Intangible assets under development	Total
<u>Cost</u>					
1 January 2023	20,455	14	4,263	2,207	26,939
Additions/transfers-in	8,305	-	21	3,119	11,445
Disposals/transfers-out	(944)	-	(732)	(3,538)	(5,214)
Others	(4)	-	-	-	(4)
31 December 2023	27,812	14	3,552	1,788	33,166
<u>Accumulated amortisation</u>					
1 January 2023	7,856	13	3,885	-	11,754
Amortisation	2,236	-	128	-	2,364
Disposals	(870)	-	(636)	-	(1,506)
31 December 2023	9,222	13	3,377	-	12,612
<u>Allowance for impairment</u>					
1 January 2023	3	-	18	-	21
Additions	1,195	-	55	-	1,250
Disposals	(73)	-	(73)	-	(146)
31 December 2023	1,125	-	-	-	1,125
<u>Net book value</u>					
31 December 2023	17,465	1	175	1,788	19,429
Amortisation for the years ended 31 December					
2022					1,877
2023					2,364

(Unit: Million Baht)

Consolidated financial statements					
31 December 2022					
	Computer software	Other licenses	Development cost	Intangible assets under development	Total
<u>Cost</u>					
1 January 2022	16,127	14	4,322	728	21,191
Additions/transfers-in	4,781	-	30	7,467	12,278
Disposals/transfers-out	(452)	-	(89)	(5,988)	(6,529)
Others	(1)	-	-	-	(1)
31 December 2022	20,455	14	4,263	2,207	26,939
<u>Accumulated amortisation</u>					
1 January 2022	6,571	12	3,761	-	10,344
Amortisation	1,704	1	172	-	1,877
Disposals	(419)	-	(48)	-	(467)
31 December 2022	7,856	13	3,885	-	11,754
<u>Allowance for impairment</u>					
1 January 2022	1	-	-	-	1
Additions	2	-	18	-	20
31 December 2022	3	-	18	-	21
<u>Net book value</u>					
31 December 2022	12,596	1	360	2,207	15,164
Amortisation for the years ended 31 December					
2021					1,278
2022					1,877

(Unit: Million Baht)

Separate financial statements					
31 December 2023					
	Computer software	Other licenses	Development cost	Intangible assets under development	Total
<u>Cost</u>					
1 January 2023	15,333	7	763	2,194	18,297
Additions/transfers-in	9,208	-	16	3,009	12,233
Disposals/transfers-out	-	-	(23)	(3,377)	(3,400)
Others	(4)	-	-	-	(4)
31 December 2023	24,537	7	756	1,826	27,126
<u>Accumulated amortisation</u>					
1 January 2023	3,047	5	612	-	3,664
Amortisation	1,972	1	52	-	2,025
31 December 2023	5,019	6	664	-	5,689
<u>Allowance for impairment</u>					
1 January 2023	1	-	-	-	1
Additions	1,124	-	-	-	1,124
31 December 2023	1,125	-	-	-	1,125
<u>Net book value</u>					
31 December 2023	18,393	1	92	1,826	20,312
Amortisation for the years ended 31 December					
2022					1,401
2023					2,025

(Unit: Million Baht)

Separate financial statements					
31 December 2022					
	Computer software	Other licenses	Development cost	Intangible assets under development	Total
<u>Cost</u>					
1 January 2022	10,127	7	755	639	11,528
Additions/transfers-in	5,207	-	10	7,450	12,667
Disposals/transfers-out	-	-	(2)	(5,895)	(5,897)
Others	(1)	-	-	-	(1)
31 December 2022	15,333	7	763	2,194	18,297
<u>Accumulated amortisation</u>					
1 January 2022	1,703	5	555	-	2,263
Amortisation	1,344	-	57	-	1,401
31 December 2022	3,047	5	612	-	3,664
<u>Allowance for impairment</u>					
1 January 2022	1	-	-	-	1
31 December 2022	1	-	-	-	1
<u>Net book value</u>					
31 December 2022	12,285	2	151	2,194	14,632
Amortisation for the years ended 31 December					
2021					707
2022					1,401

As at 31 December 2023 and 2022, the Bank and its subsidiaries have intangible assets which have been fully amortised but are still in use, with gross carrying amounts before deducting accumulated amortisation of approximately Baht 6,796 million and Baht 6,309 million, respectively (separate financial statements: Baht 1,143 million and Baht 901 million, respectively).

8.14 Deferred tax assets/liabilities and income tax

8.14.1 Deferred tax assets/liabilities

As at 31 December 2023 and 2022, deferred tax assets and liabilities are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Deferred tax assets	12,743	11,269	9,819	8,487
Deferred tax liabilities	(6,380)	(6,772)	(6,115)	(6,529)
Net	6,363	4,497	3,704	1,958

The components of deferred tax assets and liabilities are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2023	31 December 2022	Changes of deferred tax for the years ended 31 December	
			2023	2022
Deferred tax assets:				
Investments	1,115	1,082	33	397
Investments in subsidiaries and associated companies	-	-	-	(27)
Loans to customers and accrued interest receivable	1,862	1,794	68	(354)
Properties for sale	2,862	2,063	799	144
Land, premises and equipment	26	11	15	-
Provisions	3,403	3,529	(126)	(23)
Unused tax losses	23	31	(8)	14
Leases	110	71	39	(20)
Others	3,342	2,688	654	(880)
Total	12,743	11,269	1,474	(749)
Deferred tax liabilities:				
Investments	(2,189)	(2,611)	422	192
Land, premises and equipment	(3,894)	(3,893)	(1)	11
Leases	(98)	(60)	(38)	23
Others	(199)	(208)	9	231
Total	(6,380)	(6,772)	392	457
Net	6,363	4,497	1,866	(292)
Changes of deferred tax:				
Recognised in profit or loss			1,545	(645)
Recognised in other comprehensive income			321	353
Total			1,866	(292)

(Unit: Million Baht)

	Separate financial statements			
	31 December 2023	31 December 2022	Changes of deferred tax for the years ended 31 December	
			2023	2022
Deferred tax assets:				
Investments	1,114	1,079	35	395
Investments in subsidiaries and associated companies	-	-	-	(27)
Loans to customers and accrued interest receivables	-	22	(22)	(301)
Properties for sale	2,862	2,063	799	144
Land, premises and equipment	24	9	15	-
Provisions	3,091	3,186	(95)	(582)
Others	2,728	2,128	600	(336)
Total	9,819	8,487	1,332	(707)
Deferred tax liabilities:				
Investments	(2,189)	(2,611)	422	192
Land, premises and equipment	(3,852)	(3,855)	3	3
Others	(74)	(63)	(11)	216
Total	(6,115)	(6,529)	414	411
Net	3,704	1,958	1,746	(296)
Changes of deferred tax:				
Recognised in profit or loss			1,412	(673)
Recognised in other comprehensive income			334	377
Total			1,746	(296)

8.14.2 Income tax

The Bank has complied with its tax management policy to correctly operate tax payment, tax filing and tax benefit utilisation according to the legal regulations.

The Bank has considered tax effects both current and future of benefit from carrying amount of assets or settlement of carrying amount of liabilities. If there is probable that the Bank will get benefits from carrying amount of assets or settlement of carrying amount of liabilities, the Bank will pay higher future income tax (or lower) on the basis of amounts expected to be paid. Such the consideration is based on estimations, assumptions, regulation changes that may occur, legal interpretation and historical experience. In the future, if events change, which resulted the Bank to change its decision on the sufficiency of accrued income tax, any changes in accrued income tax will affect to income tax in the year that the changes occur.

Income tax expenses for the years ended 31 December 2023 and 2022 are as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Current income tax:				
Corporate income tax	11,377	8,635	9,191	6,488
Adjustment in respect of income tax	70	(203)	76	(210)
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,545)	645	(1,412)	673
Income tax expenses reported in profit or loss	9,902	9,077	7,855	6,951

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax on gains (losses) from hedge accounting	(45)	58	(45)	58
Deferred tax on gains (losses) from the changes in value of investments in debt instruments measured at fair value through other comprehensive income	(56)	(397)	(59)	(396)
Deferred tax on gains (losses) from the changes in value of investments in equity instruments designated at fair value through other comprehensive income	(402)	(236)	(401)	(236)
Deferred tax on actuarial gains and losses	182	222	171	197
	(321)	(353)	(334)	(377)

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2023 and 2022 are as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Accounting profit before tax	50,223	46,283	42,536	38,633
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	10,045	9,257	8,507	7,727
Adjustment in respect of income tax	70	(203)	76	(210)
(Reversal) allowance for deferred tax assets	(62)	275	(62)	275
Effects of non-taxable revenue and non-deductible expenses - net	(151)	(252)	(666)	(841)
Income tax expenses reported in profit or loss	9,902	9,077	7,855	6,951

8.15 Other assets - net

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
Prepaid expenses	610	438	121	56
Suspense debtors	4,892	4,501	4,915	4,636
Collateral under Credit Support Annex				
Contract and Cash Margin Debtors	5,166	7,059	5,166	7,059
Settlement account between the Bank and other financial institutions	255	131	43	35
Receivables from sale of securities	4,266	10,620	4,266	10,620
Others	13,301	13,165	14,869	13,945
Total	28,490	35,914	29,380	36,351
Less: Allowance for impairment	(4,255)	(3,812)	(4,248)	(3,808)
Other assets - net	24,235	32,102	25,132	32,543

As at 31 December 2023, other assets included defaulted debtors from convertible preferred shares contracts of Baht 998 million, which the Bank has set up an allowance for impairment at the same amount (Note 8.41.1 to the consolidated financial statements) (2022: Baht 998 million).

8.16 Deposits

8.16.1 Classified by type of deposits

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Demand deposits	110,502	131,583	110,608	131,628
Saving deposits	1,997,381	2,023,063	2,004,649	2,026,933
Time of deposits	538,989	435,590	539,494	436,164
Total	2,646,872	2,590,236	2,654,751	2,594,725

8.16.2 Classified by customers currency and residence

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2023			31 December 2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,551,342	25,355	2,576,697	2,527,372	24,200	2,551,572
US Dollar	54,711	7,980	62,691	26,699	9,320	36,019
Others	6,846	638	7,484	2,006	639	2,645
Total	2,612,899	33,973	2,646,872	2,556,077	34,159	2,590,236

(Unit: Million Baht)

	Separate financial statements					
	31 December 2023			31 December 2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,559,221	25,355	2,584,576	2,531,861	24,200	2,556,061
US Dollar	54,711	7,980	62,691	26,699	9,320	36,019
Others	6,846	638	7,484	2,006	639	2,645
Total	2,620,778	33,973	2,654,751	2,560,566	34,159	2,594,725

8.17 Interbank and money market items (liabilities)

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2023			31 December 2022		
	At call	Term	Total	At call	Term	Total
Domestic						
Bank of Thailand and Financial						
Institutions Development Fund	37	29,417	29,454	144	25,608	25,752
Commercial banks	859	146,354	147,213	953	129,048	130,001
Specialised financial institutions	1,053	40,627	41,680	736	40,501	41,237
Other financial institutions	43,002	10,350	53,352	49,091	13,733	62,824
Total domestic items	44,951	226,748	271,699	50,924	208,890	259,814
Foreign						
US Dollar	1,392	4,470	5,862	785	15,561	16,346
Euro	-	-	-	16	-	16
Other	680	4,455	5,135	347	576	923
Total foreign items	2,072	8,925	10,997	1,148	16,137	17,285
Total	47,023	235,673	282,696	52,072	225,027	277,099

(Unit: Million Baht)

	Separate financial statements					
	31 December 2023			31 December 2022		
	At call	Term	Total	At call	Term	Total
Domestic						
Bank of Thailand and Financial						
Institutions Development Fund	37	29,417	29,454	144	25,608	25,752
Commercial banks	613	141,057	141,670	296	126,849	127,145
Specialised financial institutions	1,053	40,627	41,680	736	39,501	40,237
Other financial institutions	43,002	9,650	52,652	49,091	12,983	62,074
Total domestic items	44,705	220,751	265,456	50,267	204,941	255,208
Foreign						
US Dollar	1,392	4,470	5,862	785	15,561	16,346
Euro	-	-	-	16	-	16
Other	680	4,455	5,135	347	576	923
Total foreign items	2,072	8,925	10,997	1,148	16,137	17,285
Total	46,777	229,676	276,453	51,415	221,078	272,493

8.18 Financial liabilities measured at fair value through profit or loss

(Unit: Million Baht)

	Consolidated and separate financial statements	
	31 December 2023	31 December 2022
Financial liabilities held for trading		
Provision for returning securities	-	2,319
Total	-	2,319

8.19 Debt issued and borrowings

As at 31 December 2023 and 2022, debt issued and borrowings are classified as follows:

(Unit: Million Baht)

	Currency	Interest rate	Maturity date	Consolidated financial statements					
				31 December 2023			31 December 2022		
				Domestic	Foreign	Total	Domestic	Foreign	Total
		(%)							
Long term bonds									
2015	Baht	3.90 - 4.00	2025	2,000	-	2,000	2,000	-	2,000
2016	Baht	3.00 - 4.00	2023 - 2026	6,906	-	6,906	8,070	-	8,070
2017	Baht	3.50 - 3.80	2027	5,500	-	5,500	5,500	-	5,500
2018	Baht	3.43 - 3.83	2028	3,240	-	3,240	4,128	-	4,128
2019	Baht	2.60 - 3.20	2024 - 2029	3,615	-	3,615	3,615	-	3,615
2020	Baht	2.65	2030	1,000	-	1,000	1,700	-	1,700
2021	Baht	1.22 - 2.90	2024 - 2031	7,986	-	7,986	9,130	-	9,130
2022	Baht	1.59 - 3.38	2024 - 2027	10,916	-	10,916	10,127	-	10,127
2023	Baht	2.90 - 3.10	2025 - 2027	5,394	-	5,394	-	-	-
Short term bonds									
2023	Baht	2.57	2024	80	-	80	-	-	-
KTb subordinated debentures									
No.1/2019	Baht	3.70	2029	24,000	-	24,000	24,000	-	24,000
No.1/2022	Baht	3.25	2032	18,074	-	18,074	18,073	-	18,073
Additional Tier 1									
subordinated notes	US Dollar	4.40	No maturity	-	19,048	19,048	-	18,627	18,627
Structured notes	US Dollar	0.65 - 5.75	2024 - 2028	17,956	-	17,956	24,086	-	24,086
Structured notes	Baht	0.00 - 5.05 ⁽¹⁾	2024 - 2032	35,124	-	35,124	22,111	-	22,111
Structured notes	Yen	4.00	2023	-	-	-	5	-	5
Total				141,791	19,048	160,839	132,545	18,627	151,172

⁽¹⁾ Thai Baht structured notes include a Callable note, which disclose at base interest rate only.

(Unit: Million Baht)

	Currency	Interest rate	Maturity date	Separate financial statements					
				31 December 2023			31 December 2022		
				Domestic	Foreign	Total	Domestic	Foreign	Total
		(%)							
KTB subordinated debentures									
No.1/2019	Baht	3.70	2029	24,000	-	24,000	24,000	-	24,000
No.1/2022	Baht	3.25	2032	18,074	-	18,074	18,073	-	18,073
Additional Tier 1									
subordinated notes	US Dollar	4.40	No maturity	-	19,048	19,048	-	18,627	18,627
Structured notes	US Dollar	0.65 - 5.75	2024 - 2028	17,956	-	17,956	24,086	-	24,086
Structured notes	Baht	0.00 - 5.05 ⁽¹⁾	2024 - 2032	35,124	-	35,124	22,111	-	22,111
Structured notes	Yen	4.00	2023	-	-	-	5	-	5
Total				95,154	19,048	114,202	88,275	18,627	106,902

⁽¹⁾ Thai Baht structured notes include a Callable note, which disclose at base interest rate only.

Structured notes

On 8 March 2021, the Bank issued and offered 7 structured notes totaling US Dollar 748 million. The notes have step fixed interest rate with payment of interest to be made quarterly until maturity and the payment of principle is linked with the USDTHB FX rate. The notes mature in the year 2022 to 2028 and have tenors of 1 - 7 years. There is an option to early redeem the notes that subject to the conditions of the Bank, without the holder's consent. During the year, there are 2 structured notes that reached their maturity.

On 16 June and 9 July 2021, the Bank issued and offered Baht 741 million of structured notes, comprising 741,000 units of Baht 1,000 each. The notes mature in the year 2026 and have tenors of 5 years. The payout is linked with the Solactive Luxury Dynamic Factors 10% Daily Risk Control Index. There is an option to early redeem the notes by both the holders and the Bank, according to the conditions of the Bank.

On 14 September 2021, the Bank issued and offered Baht 1,825 million of structured notes, comprising 1,825,000 units of Baht 1,000 each. The notes mature in the year 2026 and have tenors of 5 years. The payout is linked with the iSTOXX® Global Transformation IXGTRSND Index. There is an option to early redeem the notes by both the holders and the Bank, according to the conditions of the Bank.

On 27 January 2022, the Bank issued and offered Baht 1,340 million of structured notes, comprising 1,340,000 units of Baht 1,000 each. The notes mature in the year 2027 and have tenors of 5 years. The payout is linked with the Solactive Global Artificial Intelligence ESG 5% AR (SOAIESG5) index. There is an option to early redeem the notes by both the holders and the Bank, according to the conditions of the Bank.

During May to September 2022, the Bank issued and offered structured notes in US Dollars and in Thai Baht, totaling of US Dollar 4 million and Baht 2,675 million, respectively. The notes mature in the year 2025 to 2032 and have tenors of 3 - 10 years. The payout is linked with J.P. Morgan Mozaic XRP Index (MOZAIC XRP). There is an option to early redeem the notes by both holders and the Bank, according to the conditions of the Bank.

During June to November 2022, the Bank issued and offered 1,403 structured notes of “Krungthai Inverse Floater” totaling Baht 11,737 million, comprising 11,736,700 units of Baht 1,000 each. The notes have inverse floating interest rate by linking with THOR interest rate with payment of interest to be made quarterly until maturity. The notes mature in the year 2023 to 2025 and have tenors of 1 - 3 years. There is an option to early redeem the notes by both holders and the Bank, according to the conditions of the Bank. During the year, there are 260 structured notes that reached their maturity.

On 18 August 2022, the Bank issued structured notes totaling US Dollar 65 million. The notes have step fixed interest rate with payment of interest at 1.10 percent to be made quarterly until maturity and the payment of principle is linked with the USDTHB FX rate. The notes mature in the year 2023 and have tenors of 1 year. There is an option to early redeem the notes that subject to the conditions of the Bank, without the holder's consent.

During November 2022, the Bank issued and offered 232 unsubordinated structured notes of “Krung Thai Step-up Callable Bonus Notes” totaling Baht 3,240 million, comprising 3,239,900 units of Baht 1,000 each. The notes mature in the year 2027 and have tenors of 5 years. The notes have fixed distribution rate by starting at 1.65 percent per annum and highest at 4.40 percent per annum. The notes have bonus interest in the first year which the Bank pays an additional interest by referring to 3M THB THOR. There is an option to early redeem the notes after 1 year, or after that which is subject to the conditions of the Bank.

On 10 November 2022, the Bank issued and offered Baht 46 million of structured notes, comprising 46,000 units of Baht 1,000 each. The notes mature in the year 2024 and have tenors of 1.5 years. The payout is linked with the DB Momentum Asset Allocator 5.50% Volatility Control Index. There is an option to early redeem the notes by both the holders and the Bank, according to the conditions of the Bank.

On 7 December 2022, the Bank issued and offered Baht 920 million of structured notes, comprising 920,000 units of Baht 1,000 each. The notes mature in the year 2025 and have tenors of 3 years. The payout is linked with CITI Diversified Risk Premia Index. There is an option to early redeem the notes by both the holders and the Bank, according to the conditions of the Bank.

During January - June 2023, the Bank issued and offered 737 structured notes of “Krung Thai Step-up Callable Bonus Notes” totaling Baht 3,626 million, comprising 3,625,800 units of Baht 1,000 each. The notes mature in the year 2024 - 2028 and have tenors of 1 - 2 years and 5 years. The notes have fixed distribution rate by starting at 0.65 percent per annum and highest at 5.05 percent per annum. The notes have bonus interest in the first year which the Bank pays an additional interest by referring to 3M THB THOR and 6M THB THOR. There is an option to early redeem the notes after 1 year, or after that which is subject to the conditions of the Bank.

During January 2023, the Bank issued and offered Baht-denominated structured notes totaling Baht 844 million with maturity in the year 2026. The term of the structured notes is 3 years. Payout are based on Pimco GIS Income Fund. There is an option to early redeem the notes by both holders and the Bank, according to the conditions of the Bank.

During February 2023, the Bank issued and offered Baht-denominated structured notes totaling Baht 1,939 million with maturity in the year 2024. The term of the structured notes is 1 year. Payout are based on SPDR Gold Shares Exchange Traded Fund. There is an option to early redeem the notes by both holders and the Bank, according to the conditions of the Bank.

During March 2023, the Bank issued and offered Baht-denominated structured notes totaling Baht 460 million with maturity in the year 2026. The term of the structured notes is 3 years. Payout are based on BNP Paribas AW Alpha Commodity 4 ER Index (BNPXAWR4 Index). There is an option to early redeem the notes by both holders and the Bank, according to the conditions of the Bank.

During March - June 2023, the Bank issued and offered Baht-denominated structured notes totaling Baht 56 million with maturity in the year 2024 - 2025. The term of the structured notes is 1 - 2 years. Payout are based on Deutsche Bank Momentum Asset Allocator 5.50% Volatility Control Index (DBMUAU55 Index). There is an option to early redeem the notes by both holders and the Bank, according to the conditions of the Bank.

During June - July 2023, the Bank issued and offered Baht-denominated structured notes totaling Baht 3,271 million with maturity in the year 2026. The term of the structured notes is 3 years. Payout are based on UBS X-Asset Risk-Premia Portfolio 2.0 with 1.0% Decremental Index (UBCS1XRP Index). There is an option to early redeem the notes by both holders and the Bank, according to the conditions of the Bank.

During July 2023, the Bank issued and offered structured notes in US Dollars totaling of US Dollar 12 million. The notes mature in the year 2024 and have tenors of 1 years. The payout is linked with USDTHB FX Rate. There is an option to early redeem the notes by both holders and the Bank, according to the conditions of the Bank.

During August 2023, the Bank issued and offered Baht-denominated structured notes totaling Baht 94 million with maturity in the year 2028. The term of the structured notes is 5 years. Payout are based on interest rate 1.80 - 3.95 percent per annum. The notes have bonus interest in the first year which the Bank pays an additional interest by referring to 3M THB THOR. There is an option to early redeem the notes by both holders and the Bank, according to the conditions of the Bank.

During September - December 2023, the Bank issued and offered Baht-denominated structured notes totaling Baht 2,862 million with maturity in the year 2026. The term of the structured notes is 3 years. Payout are based on Solactive Alternative Funds VT Index (SOALTFVT Index). There is an option to early redeem the notes by both holders and the Bank, according to the conditions of the Bank.

On October - November 2023, the Bank issued and offered 576 unsubordinated structured notes of “Krung Thai Step-up Callable Bonus Notes” totaling Baht 3,623 million, comprising 3,623,400 units of Baht 1,000 each. The notes mature in the year 2026 - 2028 and have tenors of 3 - 5 years. The notes have fixed distribution rate by starting at 2.40 percent per annum and highest at 4.00 percent per annum. The notes have bonus interest in the first year which the Bank pays an additional interest by referring to 3M THB THOR. There is an option to early redeem the notes after 1 year, or after that which is subject to the conditions of the Bank.

Subordinated notes

On 25 March 2021, the Bank issued and offered US Dollar 600 million of subordinated notes qualified to be included in Additional Tier 1 capital of the Bank, containing the write-down/write-off provision, in accordance with the terms thereof for sales to foreign investors according to the resolution of the Annual General Meeting of shareholders held on 11 April 2012. The notes have no maturity and no fixed redemption date. The Bank has a right to early redeem after 5 years from the issue date, by getting the approval from the BOT. The notes have fixed distribution rate of 4.40 percent per annum until the first call date. Then, the distribution rate is subject to change to reference rate every 5 years. The Bank received net proceeds from the issued and offered of the subordinated notes amounting to US Dollar 600 million, which the BOT had approved to include in Additional Tier 1 capital from 25 March 2021. The Bank presented such subordinated notes as financial liabilities by taking into consideration both contractual obligation and legal rights as stated in the Offering Circular of the notes.

Subordinated debentures

The Bank issued Baht 24,000 million of subordinated debenture No.1/2019, comprising 24 million units of Baht 1,000 each. The debenture has a fixed interest rate of 3.70 percent per annum, with payment of interest to be made quarterly until maturity, and a tenor of 10 years, maturing in 2029. There is an option to early redeem the debentures after 5 years, or after that which is subject to the conditions of the Bank, without the holder's consent.

The Bank issued Baht 18,080 million of subordinated debenture No.1/2022, comprising 18.08 million units of Baht 1,000 each. The debenture has a fixed interest rate of 3.25 percent per annum, with payment of interest to be made every three months until maturity, and a tenor of 10 years, maturing in 2032. There is an option to early redeem the debentures after 5 years, or after that which is subject to the conditions of the Bank, without the holder's consent.

8.20 Provisions

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Allowance for expected credit losses on loan commitments and financial guarantee contracts	3,896	4,352	3,896	4,352
Provisions for employee benefits - post employment	10,800	11,656	9,264	10,101
Provisions for contingent losses from legal case	532	530	529	530
Other provisions	1,776	906	1,765	944
Total provisions	17,004	17,444	15,454	15,927

8.20.1 Allowance for expected credit losses on loan commitments and financial guarantee contracts

As at 31 December 2023 and 2022, allowance for expected credit losses on loan commitments and financial guarantee contracts classified by classification are as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements	
	31 December 2023	
	Loan commitments and financial guarantee contracts	Allowance for expected credit losses
Financial assets where there has not been a significant increase in credit risk (Performing)	1,036,019	1,212
Financial assets where there has been a significant increase in credit risk (Under-Performing)	99,856	2,205
Financial assets that are credit-impaired (Non-Performing)	4,554	479
Total	1,140,429	3,896

(Unit: Million Baht)

	Consolidated and separate financial statements	
	31 December 2022	
	Loan commitments and financial guarantee contracts	Allowance for expected credit losses
Financial assets where there has not been a significant increase in credit risk (Performing)	1,177,651	1,518
Financial assets where there has been a significant increase in credit risk (Under-Performing)	119,206	2,089
Financial assets that are credit-impaired (Non-Performing)	9,047	745
Total	1,305,904	4,352

The changes in the allowance for expected credit losses on loan commitments and financial guarantees are as follows:

(Unit: Million Baht)

Consolidated and separate financial statements				
31 December 2023				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Beginning balance	1,518	2,089	745	4,352
Changes due to staging of financial assets	295	(333)	38	-
Changes due to remeasurement of loss allowance	(558)	605	98	145
New issued obligations to grant credit guarantees	108	93	14	215
Derecognition of financial assets	(151)	(249)	(416)	(816)
Ending balance	1,212	2,205	479	3,896

(Unit: Million Baht)

Consolidated and separate financial statements				
31 December 2022				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Beginning balance	1,945	2,244	516	4,705
Changes due to staging of financial assets	545	(557)	12	-
Changes due to remeasurement of loss allowance	(925)	516	114	(295)
New issued obligations to grant credit guarantees	159	187	161	507
Derecognition of financial assets	(206)	(301)	(58)	(565)
Ending balance	1,518	2,089	745	4,352

8.20.2 Provisions for employee benefits - post employment

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Defined benefit obligation at the beginning of the year	11,656	13,761	10,101	12,240
Included in profit or loss:				
Current service cost	771	822	615	687
Interest cost	328	323	282	290
Curtailment	(279)	(1,151)	(278)	(1,151)
Included in other comprehensive income:				
Actuarial gains arising from:				
- Financial assumptions changes	(781)	(894)	(719)	(779)
- Experience adjustments	(130)	(215)	(134)	(205)
Transferred out to other company in the group	-	-	-	(86)
Benefits paid during the year	(765)	(990)	(603)	(895)
Defined benefit obligation at the end of the year	10,800	11,656	9,264	10,101

As at 31 December 2023 and 2022, the Bank and its subsidiaries expect to pay Baht 699 million and Baht 710 million, respectively, in long-term employee benefits during the next one year (separate financial statements: Baht 601 million and Baht 587 million, respectively).

The principal actuarial assumptions

	Consolidated financial statements		Separate financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Discount rate (Percent per annum)	2.47 - 3.22	1.98 - 3.65	2.74	2.75
Future salary increase rate (Percent per annum)	3.00 - 6.00	3.00 - 6.00	5.00	6.00
Age of retirement (Year)	55 - 60 years	55 - 60 years	60 years	60 years

Sensitivity analysis of principal actuarial assumptions

Defined benefit plan of the Bank and its subsidiaries are sensitive to changes in assumptions used for calculation. The actuarial assumptions may change based on changes in market conditions, changed in inflation condition, including demographic changes in the defined benefit plan. The following table shows the effect of changes in key assumptions. The changes in assumptions occur separately.

(Unit: Million Baht)

	Increase (decrease) in the provisions			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Discount rate				
Increase 1%	(2,207)	(1,131)	(2,074)	(996)
Decrease 1%	3,524	1,346	3,358	1,189
Future salary increase rate				
Increase 1%	833	959	698	823
Decrease 1%	(723)	(829)	(604)	(708)

As at 31 December 2023 and 2022, the weighted average durations of the liabilities for long-term employee benefits obligation of the Bank and its subsidiaries are 5 - 19 years (separate financial statements: 10 years and 10 years, respectively).

8.20.3 Provisions for contingent losses from legal case

(Unit: Million Baht)

	Consolidated financial		Separate	
	statements		financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Balance at the beginning of the year	530	436	530	436
Increase during the year	225	252	222	252
Utilised	(176)	(155)	(176)	(155)
Reversal of provisions	(47)	(3)	(47)	(3)
Balance at the end of the year	532	530	529	530

8.21 Other liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Accrued interest expenses	5,229	3,644	4,893	3,366
Accrued expenses	18,824	15,115	16,824	14,029
Interbranch account	834	1,619	834	1,619
Suspense account creditors	5,452	4,165	4,984	3,622
Tax payables	4,993	4,067	4,855	3,357
Deferred revenue for reward points	2,718	2,587	-	-
Settle account between the Bank and other financial institutions	2,630	1,547	2,656	1,350
Advanced account	11,239	11,403	11,239	11,403
Cheque in transit	3,653	1,369	3,653	1,369
Payables from trading securities	4,522	3,862	4,522	3,862
Other liabilities	17,132	24,985	14,566	23,448
Total	77,226	74,363	69,026	67,425

8.22 Share capital

8.22.1 Ordinary shares

As at 31 December 2023 and 2022, the Bank's authorised share capital and issued and paid-up share capital - ordinary shares was 13,976,061,250 shares.

8.22.2 Preferred shares

The 5.5 million of preferred shares are fully paid-up. Preferred share has more preference over the ordinary share. Apart from entitling to the same voting rights and claims on dividends as ordinary shares, it may enjoy preferential rights to a special dividend at a 3 percent fixed rate per annum prior to the ordinary shares when paid.

8.22.3 As at 31 December 2023, the Financial Institutions Development Fund holds 7,696,248,833 ordinary shares of the Bank or 55.05 percent of paid-up ordinary and preferred shares.

8.23 Other components of equity

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Surplus on revaluation of assets	17,707	17,764	17,344	17,400
Less: The effect of deferred tax liabilities	(3,541)	(3,553)	(3,469)	(3,480)
Net surplus on revaluation of assets	14,166	14,211	13,875	13,920
Revaluation surplus (deficit) on investments				
Debt securities	(2,866)	(2,585)	(2,863)	(2,566)
Equity securities	9,029	11,037	9,030	11,037
Expected credit losses	944	944	945	944
Total revaluation surplus (deficit) on investments	7,107	9,396	7,112	9,415
Less: The effect of deferred tax liabilities	(1,422)	(1,879)	(1,423)	(1,883)
Net revaluation surplus (deficit) on investments	5,685	7,517	5,689	7,532
Hedge reserves	152	377	152	377
Less: The effect of deferred tax liabilities	(31)	(75)	(31)	(75)
Net hedge reserves	121	302	121	302
Gains (losses) from translating the financial statements	(10)	18	(10)	18
Share of other comprehensive income of associated companies	(3,791)	(4,141)	-	-
Total	16,171	17,907	19,675	21,772

8.24 Legal reserve

In accordance with the Public Limited Company Act, the Bank is required to appropriate to its legal reserve not less than 5 percent of its net profit after deducting accumulated losses brought forward (if any), until the legal reserve reaches an amount not less than 10 percent of authorised share capital. The Bank has already set aside the full amount of its legal reserve.

8.25 Dividends

During the years ended 31 December 2023 and 2022, the Bank has dividends payments as follow:

(Unit: Million Baht)

Dividends	Approved by	Total dividends		Dividend per share		Payment date
		Preferred shares	Ordinary shares	Preferred shares	Ordinary shares	
Dividends for the year 2022	Annual General Meeting of the Shareholders on 7 April 2023	4	9,532	0.8365	0.6820	3 May 2023
Dividends for the year 2021	Annual General Meeting of the Shareholders on 8 April 2022	3	5,842	0.5725	0.4180	6 May 2022

8.26 Commitment and contingent liabilities

8.26.1 Leases and service commitment

As at 31 December 2023, the Bank and its subsidiaries have future rental and service charges under non-cancellable leases which have not yet effective, long-term lease value and long-term service contracts as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Within 1 year	Over 1 - 5 years	Within 1 year	Over 1 - 5 years
Non-cancellable leases which have not yet effective	1	3	-	-
Long term leases	92	67	44	36
Long term service contracts	2,349	2,205	1,409	1,278
Total	2,442	2,275	1,453	1,314

8.26.2 Contingent liabilities

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Avals to bills	7,367	6,373	7,367	6,373
Guarantees of loans	12,500	32,494	12,500	32,494
Liabilities under unmatured import bills	4,573	6,880	4,573	6,880
Letters of credit	19,414	23,819	19,414	23,819
Banks' liability under acceptances	26	18	26	18
Other contingencies				
Unused overdraft credit lines	138,034	146,452	138,034	146,452
Other guarantees	195,061	192,528	195,061	192,528
Others	195,131	181,513	5,316	5,133
Total	572,106	590,077	382,291	413,697

As at 31 December 2023 and 2022, the Bank has contingent liabilities relating to significant lawsuits brought against the Bank of Baht 17,390 million and Baht 18,873 million, respectively. These included lawsuits in which the Court of First Instance has already ruled and that are being appealed in the Appeal Court and the Supreme Court.

As at 31 December 2023 and 2022, the Bank has guarantees for transactions of the Bank of Baht 2,740 million and Baht 2,729 million, respectively.

8.27 Assets with obligations and restrictions

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	31 December 2023	31 December 2022
Government and state enterprise bonds pledged as collateral		
Court collateral	458	493
Repurchase agreements	67,651	81,729
Collateral for Student Loan Fund	51	53
Foreign debt securities as collateral		
Repurchase agreements	7,565	14,724
Properties for sale (subject to purchase or sell agreements)	481	786
Properties for sale (debtor is granted the right to buy back or first right for this portion)	15,638	17,329
Total	91,844	115,114

8.28 Related party transactions

8.28.1 The Bank has the following related parties transactions with the Bank's executives (First Vice President and above) including related persons who together with these employees as follows:

(Unit: Million Baht)

	Separate financial statements	
	31 December 2023	31 December 2022
Loans	101	112
Deposits	358	420

(Unit: Million Baht)

	Separate financial statements	
	For the years ended 31 December	
	2023	2022
Interest income	4	4
Interest expense	2	2

8.28.2 During the year, the Bank and its subsidiaries had significant business transactions with their related parties. These transactions are in the ordinary course of businesses. Below is a summary of those significant transactions.

(Unit: Million Baht)

	For the years ended 31 December				Transfer pricing policy (For the year 2023)
	Consolidated financial statements		Separate financial statements		
	2023	2022	2023	2022	
Transactions occurred during the years					
Subsidiary companies					
Purchase of debt securities	-	-	1,907	2,451	At market price
Sales of debt securities	-	-	16,510	17,304	At market price
Purchase of equity securities	-	-	226	491	At market price
Sales of equity securities	-	-	29	17	At market price
Associated company					
Purchase of debt securities	7,986	11,309	7,986	11,309	At market price
Sales of debt securities	13,735	25,070	13,735	25,070	At market price
Purchase of equity securities	586	46	586	46	At market price
Sales of equity securities	294	634	294	634	At market price
Entities with parent company or common directors or key management personnel					
Purchase of debt securities	7,866	750	7,866	750	At market price
Sales of debt securities	465	-	465	-	At market price

8.28.3 Interbank and money market items (assets), loans, obligations, derivatives, and other assets

The balances of interbank and money market items (assets), loans, obligations, derivatives, and other assets with related parties, which are under normal bank pricing policies, as at 31 December 2023 and 2022 are as follows:

			(Unit: Million Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Interbank and money market items (assets)				
<u>Associated companies</u>				
Krungthai-AXA Life Insurance Plc.	7,665	4,481	7,665	4,481
Krungthai XSpring Securities Co., Ltd.	1	550	1	550
<u>Less</u> Allowance for expected credit losses	(76)	(46)	(76)	(46)
Total	7,590	4,985	7,590	4,985
Loans				
<u>Subsidiaries</u>				
KTB General Services and Security Co., Ltd.	-	-	7	9
Krungthai Computer Services Co., Ltd.	-	-	1,049	1,852
KTB Leasing Co., Ltd.	-	-	500	1,100
Krungthai Card Plc.	-	-	11,781	10,130
<u>Less</u> Allowance for expected credit losses	-	-	(154)	(247)
Total	-	-	13,183	12,844
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd.	5,574	5,370	5,574	5,370
Krungthai Panich Insurance Plc.	1	1	1	1
<u>Less</u> Allowance for expected credit losses	(40)	(25)	(40)	(25)
Total	5,535	5,346	5,535	5,346
Entities with parent company or common directors or key management personnel	48,230	23,056	48,230	23,056
<u>Less</u> Allowance for expected credit losses	(230)	(105)	(230)	(105)
Total	48,000	22,951	48,000	22,951
Entities in which the Bank held shares from TDR from 10 percent or more	7,898	8,718	7,898	8,718
<u>Less</u> Allowance for expected credit losses	(2,917)	(3,228)	(2,917)	(3,228)
Total	4,981	5,490	4,981	5,490

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Commitments				
<u>Subsidiaries</u>				
KTB General Services and Security Co., Ltd.	-	-	213	33
Krungthai Computer Services Co., Ltd.	-	-	5	5
Krungthai Card Plc.	-	-	1	1
<u>Associated companies</u>				
Krungthai Panich Insurance Plc.	-	5	-	5
Entities with common directors or key management personnel	13,006	59	13,006	59
Entities in which the Bank held shares from TDR from 10 percent or more	198	1	198	1
Derivatives (Notional amount)				
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd.	126	328	126	328
Krungthai-AXA Life Insurance Plc.	8,423	10,475	8,423	10,475
Krungthai Panich Insurance Plc.	32	41	32	41
Other assets				
<u>Subsidiaries</u>				
Krungthai Law Co., Ltd.	-	-	4	9
Krungthai Card Plc.	-	-	1,535	644
Krung Thai Asset Management Plc.	-	-	61	105
Infinitas by Krungthai Co., Ltd.	-	-	1,260	973
KTB General Services and Securities Co., Ltd.	-	-	1	1
Arise by Infinitas Co., Ltd.	-	-	150	79
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd.	-	8	-	7
Krungthai-AXA Life Insurance Plc.	239	207	238	205
Krungthai Panich Insurance Plc.	58	63	51	56
Krungthai XSpring Securities Co., Ltd.	1	1	1	-
Entities with parent company or common directors or key management personnel	967	1,278	967	1,278

8.28.4 Deposits, interbank and money market items (liabilities) and other liabilities

The balances of deposits, interbank and money market items (liabilities) and other liabilities to related parties, which are under normal bank pricing policies, as at 31 December 2023 and 2022 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Deposits				
<u>Subsidiaries</u>				
Krungthai Law Co., Ltd.	-	-	193	269
KTB General Services and Security Co., Ltd.	-	-	653	698
Krungthai Computer Services Co., Ltd.	-	-	447	442
KTB Leasing Co., Ltd.	-	-	4	5
KTB Advisory Co., Ltd.	-	-	3	3
Krungthai Card Plc.	-	-	4,124	1,779
Infinitas by Krungthai Co., Ltd.	-	-	1,674	1,238
Arise by Infinitas Co., Ltd.	-	-	109	76
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd.	10	-	10	-
Krungthai Panich Insurance Plc.	185	146	185	146
Entities with parent company or common directors or key management personnel	18,307	10,563	18,307	10,563
Entities in which the Bank held shares in aggregate from 10 to 20 percent	292	70	292	70
Entities in which the Bank held shares from TDR from 10 percent or more	278	364	278	364
Interbank and money market items (liabilities)				
<u>Subsidiary</u>				
Krung Thai Asset Management Plc.	-	-	355	343
<u>Associated companies</u>				
Krungthai-AXA Life Insurance Plc.	3,043	2,877	3,043	2,877
Krungthai XSpring Securities Co., Ltd.	29	102	29	102
Debt issued and borrowing				
<u>Associated companies</u>				
Krungthai Panich Insurance Plc.	50	50	50	50

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Other liabilities				
<u>Subsidiaries</u>				
KTB General Services and Security Co., Ltd.	-	-	315	338
Krungthai Computer Services Co., Ltd.	-	-	983	997
Krungthai Card Plc.	-	-	1	5
Krungthai Law Co., Ltd.	-	-	127	107
Infinitas by Krungthai Co., Ltd.	-	-	962	926
<u>Associated companies</u>				
Krungthai Panich Insurance Plc.	19	5	18	5
Krungthai-AXA Life Insurance Plc.	6	11	-	4
National ITMX Co., Ltd.	73	61	73	61

8.28.5 Income and expenses

The Bank has significant income and expenses with related parties as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Interest income				
<u>Subsidiaries</u>				
Krungthai Computer Services Co., Ltd.	-	-	42	41
KTB Leasing Co., Ltd.	-	-	23	12
Krungthai Card Plc.	-	-	218	54
<u>Associated companies</u>				
Krungthai XSpring Securities Co., Ltd.	5	5	5	5
Krungthai Mizuho Leasing Co., Ltd.	127	79	127	79
Krungthai-AXA Life Insurance Plc.	139	22	139	22
Entities with parent company or common directors or key management personnel	2,120	657	2,120	657
Entities in which the Bank held shares from TDR 10 percent or more	52	41	52	41
Interest expenses				
<u>Subsidiaries</u>				
Krungthai Law Co., Ltd.	-	-	1	1
KTB General Services and Security Co., Ltd.	-	-	4	2
Krungthai Card Plc.	-	-	7	2
Krung Thai Asset Management Plc.	-	-	1	1
Krungthai Computer Services Co., Ltd.1	-	-	2	1
Infinitas by Krungthai Co., Ltd.	-	-	9	-
Arise by Infinitas Co., Ltd.	-	-	1	-

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Interest expenses (continued)				
<u>Associated companies</u>				
Krungthai Panich Insurance Plc.	1	-	1	-
Krungthai-AXA Life Insurance Plc.	29	40	29	40
Krungthai XSpring Securities Co., Ltd.	7	1	7	1
Entities with parent company or common directors or key management personnel	241	87	241	87
Entities in which the Bank held shares from TDR 10 percent or more	1	1	1	1
Other income				
<u>Subsidiaries</u>				
Krungthai Law Co., Ltd	-	-	4	3
KTB General Services and Security Co., Ltd.	-	-	17	12
KTB Leasing Co., Ltd.	-	-	3	5
Krung Thai Asset Management Plc.	-	-	523	582
Krungthai Card Plc.	-	-	195	144
Infinitas by Krungthai Co., Ltd.	-	-	75	107
Arise by Infinitas Co., Ltd.	-	-	68	29
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd.	2	2	1	2
Krungthai XSpring Securities Co., Ltd.	13	6	9	2
Krungthai Panich Insurance Plc.	392	457	368	435
Krungthai-AXA Life Insurance Plc.	2,262	2,203	2,252	2,153
Other expenses				
<u>Subsidiaries</u>				
Krungthai Law Co., Ltd.	-	-	201	216
KTB General Services and Security Co., Ltd.	-	-	1,979	1,997
Krungthai Computer Services Co., Ltd.	-	-	4,334	4,246
Krungthai Card Plc.	-	-	16	101
Infinitas by Krungthai Co., Ltd.	-	-	116	41
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd.	2	16	-	-
Krungthai XSpring Securities Co., Ltd.	8	9	5	7
National ITMX Co., Ltd.	733	576	733	576
Krungthai-AXA Life Insurance Plc.	67	75	-	-
Krungthai Panich Insurance Plc.	13	15	-	-
Entities in which the Bank held shares in aggregate from 10 to 20 percent	75	-	75	-

8.28.6 The Bank and its subsidiaries have no compensation or other benefits, either monetary or non-monetary, to directors and executives, except the benefits normally paid as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Short-term employee benefits	1,337	1,235	976	877
Post-employment benefits	92	92	78	79
Total	1,429	1,327	1,054	956

8.28.7 Intercompany trading transactions

Subsidiaries

- 1) Krungthai Computer Services Co, Ltd. (“KTCS”) is assigned by the Bank to provide information technology (IT) services to the Bank in relation to the implementation of various projects and systems according to the Bank’s business plan. The services providing to the Bank consist of system control and maintenance, system software development, and providing preliminary consultancy services and training in various areas. The Bank incurred service charges on a cost-plus method of Baht 4,199 million and Baht 4,125 million for the years ended 31 December 2023 and 2022, respectively.

Since 2003, the GFMIS project Phase 2 has been developed and implemented on behalf of the Bank by KTCS. The Bank and the Office of GFMIS attached to the Secretariat of the Prime Minister unanimously signed on the Memorandum of Agreement upon the submission of deliverables and disbursements associated with the investments in the GFMIS project on 22 September 2005. Furthermore, the Bank signed a hire-of-work contract for the implementation and maintenance with the Office of GFMIS. The Bank incurred service charges of Baht 135 million and Baht 121 million for the years ended 31 December 2023 and 2022, respectively.

- 2) The Bank operates a student loan service for the Student Loans Fund, including public relations, policy, regulation, loan payment, document filling, loan notification, loan status, as well as receipt of settlement, pursuit of loan collection, and prosecution. Krungthai Law Co., Ltd. has been designated to prosecute debtors of the Student Loans Fund. The Bank incurred service charges of Baht 5 million and Baht 23 million for the years ended 31 December 2023 and 2022, respectively. Moreover, the Bank assigned the company to provide other legal services to the Bank and incurred service charges of Baht 196 million and Baht 193 million for the years ended 31 December 2023 and 2022, respectively.

- 3) KTB General Services and Security Co., Ltd. (“KTGS”) is assigned by the Bank to provide collection and delivery services for all cash, foreign exchange and financial instruments, and the Bank’s asset. KTGS also manages Krung Thai Bank Training Center and the Bank’s other buildings. The Bank incurred service charges of Baht 1,979 million and Baht 1,997 million for the years ended 31 December 2023 and 2022, respectively.
- 4) Infinitas by Krungthai Co., Ltd. is assigned by the Bank to provide services and consultation on innovation and digital solutions including management and application of information technology in various forms to serve the Bank’s strategy. The Bank incurred service charges on a cost-plus method of Baht 116 million and Baht 41 million for the years ended 31 December 2023 and 2022, respectively.
- 5) The Bank has entered into support service agreement with Infinitas by Krungthai Co., Ltd., whereby the Bank charges service income at the rates as mutually agreed. The Bank generated service income from such services of Baht 75 million and Baht 107 million for the years ended 31 December 2023 and 2022, respectively.
- 6) The Bank generated fee income from service with its subsidiaries amounting to Baht 893 million and Baht 882 million for the years ended 31 December 2023 and 2022, respectively.
- 7) The Bank generated premises rental income from its subsidiaries of Baht 0.4 million and Baht 1 million for the years ended 31 December 2023 and 2022, respectively, at the rate upon agreement.

Intercompany considerations

Intercompany income and expenses are based on the rates upon agreement and the amount specified in the contract, while the cost-plus method is used for certain transactions.

The consolidated financial statements include the accounts of subsidiaries after eliminating intercompany transactions and balances.

Associated companies

The Bank generated fee income under support service contracts of Baht 2,631 million and Baht 2,592 million for the years ended 31 December 2023 and 2022, respectively, at the rates as mutually agreed.

8.29 Significant financial position and operations classified by domestic and foreign business segment

8.29.1 Financial position classified by business segment

(Unit: Million Baht)

	Consolidated financial statements							
	31 December 2023				31 December 2022			
	Domestic business	Foreign branches business	Elimination	Total	Domestic business	Foreign branch business	Elimination	Total
Total assets	3,642,858	25,375	9,452	3,677,685	3,575,024	25,682	(8,287)	3,592,419
Interbank and money								
market items - net	695,541	5,621	-	701,162	545,177	5,764	-	550,941
Financial assets								
measured at fair value								
through profit or loss	25,946	-	-	25,946	33,568	-	-	33,568
Investments - net*	276,500	741	-	277,241	288,608	767	-	289,375
Loans to customers								
and accrued interest								
receivables - net	2,416,871	9,224	-	2,426,095	2,433,344	10,488	-	2,443,832
Deposits	2,644,062	2,810	-	2,646,872	2,587,755	2,481	-	2,590,236
Interbank and money								
market items	282,851	1,331	(1,486)	282,696	277,271	1,938	(2,110)	277,099
Financial liabilities								
measured at fair								
value through								
profit or loss	-	-	-	-	2,319	-	-	2,319
Debt issued and								
borrowings	140,305	20,534	-	160,839	130,435	20,737	-	151,172

* Includes investments in subsidiaries and associated companies.

(Unit: Million Baht)

	Separate financial statements							
	31 December 2023				31 December 2022			
	Domestic business segment	Foreign branches business segment	Elimination	Total	Domestic business segment	Foreign branches business segment	Elimination	Total
Total assets	3,545,844	25,375	9,452	3,580,671	3,484,934	25,682	(8,287)	3,502,329
Interbank and money market items - net	694,819	5,621	-	700,440	544,191	5,764	-	549,955
Financial assets measured at fair value through profit or loss	25,946	-	-	25,946	33,568	-	-	33,568
Investments - net*	274,107	741	-	274,848	287,963	767	-	288,730
Loans to customers and accrued interest receivables - net	2,327,475	9,224	-	2,336,699	2,350,789	10,488	-	2,361,277
Deposits	2,651,941	2,810	-	2,654,751	2,592,244	2,481	-	2,594,725
Interbank and money market items	276,608	1,331	(1,486)	276,453	272,666	1,938	(2,111)	272,493
Financial liabilities measured at fair value through profit or loss	-	-	-	-	2,319	-	-	2,319
Debt issued and borrowings	93,668	20,534	-	114,202	86,165	20,737	-	106,902

* Includes investments in subsidiaries and associated companies.

8.29.2 Operations classified by business segment

(Unit: Million Baht)

	Consolidated financial statements							
	For the years ended 31 December							
	2023				2022			
	Domestic business segment	Foreign branches business segment	Elimination	Total	Domestic business segment	Foreign branches business segment	Elimination	Total
Interest income	151,717	1,934	(1,282)	152,369	112,992	1,574	(1,091)	113,475
Interest expenses	(37,928)	(2,304)	1,282	(38,950)	(22,808)	(1,353)	1,091	(23,070)
Interest income - net	113,789	(370)	-	113,419	90,184	221	-	90,405
Fees and service income - net	20,816	56	-	20,872	20,259	57	-	20,316
Other operating income	15,107	67	-	15,174	14,540	130	-	14,670
Other operating expenses and allowance for expected credit loss	(99,046)	(196)	-	(99,242)	(78,900)	(208)	-	(79,108)
Profit from operating before income tax expenses	50,666	(443)	-	50,223	46,083	200	-	46,283

(Unit: Million Baht)

	Separate financial statements							
	For the years ended 31 December							
	2023				2022			
	Domestic business segment	Foreign branches business segment	Elimination	Total	Domestic business segment	Foreign branches business segment	Elimination	Total
Interest income	135,996	1,934	(1,282)	136,648	97,923	1,574	(1,091)	98,406
Interest expenses	(36,502)	(2,304)	1,282	(37,524)	(21,498)	(1,353)	1,091	(21,760)
Interest income - net	99,494	(370)	-	99,124	76,425	221	-	76,646
Fees and service income - net	15,514	56	-	15,570	15,825	57	-	15,882
Other operating income	13,433	67	-	13,500	13,194	130	-	13,324
Other operating expenses and allowance for expected credit loss	(85,462)	(196)	-	(85,658)	(67,011)	(208)	-	(67,219)
Profit from operating before income tax expenses	42,979	(443)	-	42,536	38,433	200	-	38,633

8.30 Operations classified by operating segment

Segment definition

The Bank organises segments for internal management purposes, with the Management Committee of each segment being the chief operating decision-maker (CODM). Three reportable segments have been identified based on customer type and nature of business:

- 1) Retail banking segment; develops financial products and services, and also provides services for individual customers relating to deposits, loans, payment for goods and services as well as sale of products released by the Bank's subsidiaries and business alliances through its network of branches nationwide.
- 2) Corporate banking segment; provides credit facilities and financial services to corporate clients.
- 3) Treasury and investment segment; controls the Bank's financial structure to maintain appropriate levels and enable the generation of profit from the Bank's equity investment, international business and excess liquidity, and also supervises overseas branches and companies in which the Bank has invested, among others.

Other segments comprise of middle offices, back offices, subsidiaries and associated companies.

Accounting procedures for segment reporting

During the current year, the Bank has changed certain reported operating segments and the principle to calculate the value of operating expenses from Economic Value Management (EVM) to the cost allocation principle for the purpose of internal management of the Bank. The Fund Transfer Pricing (FTP) concept is used to calculate the value of funds for the fund provider unit and the cost of funds for fund user unit. Income and expenses are allocated according to ownership in order to derive the net operating profit after tax (NOPAT).

(Unit: Million Baht)

Consolidated financial statements						
For the year ended 31 December 2023						
	Retail banking	Corporate banking	Treasury and investment	Support and others	Elimination	Total
Total operating income	77,700	44,291	4,411	40,446	(17,383)	149,465
Total expenses (excluding expected credit losses)	(35,697)	(20,664)	(2,256)	(28,256)	14,814	(72,059)
Expected credit losses	(13,911)	(17,142)	(282)	(5,657)	(93)	(37,085)
Net profit (losses)	28,092	6,485	1,873	6,533	(2,662)	40,321

(Unit: Million Baht)

Consolidated financial statements						
For the year ended 31 December 2022						
	Retail banking	Corporate banking	Treasury and investment	Support and others	Elimination	Total
Total operating income	63,189	36,582	8,591	31,351	(14,322)	125,391
Total expenses (excluding expected credit losses)	(35,101)	(15,823)	(3,175)	(21,287)	11,539	(63,847)
Expected credit losses	(5,711)	(14,263)	317	(4,908)	227	(24,338)
Net profit (losses)	22,377	6,496	5,733	5,156	(2,556)	37,206

Assets and liabilities for segment of the Bank and its subsidiaries as at 31 December 2023 and 2022 are as follows:

(Unit: Million Baht)

	Consolidated financial statements					Total
	Retail banking	Corporate banking	Treasury and investment	Support and others	Elimination	
As at 31 December 2023:						
Segment assets	1,141,546	1,344,318	1,000,435	220,101	(28,715)	3,677,685
Segment liabilities	1,820,591	886,278	317,219	261,373	(28,623)	3,256,838
As at 31 December 2022 ⁽¹⁾ :						
Segment assets	1,102,375	1,430,339	936,912	146,821	(24,028)	3,592,419
Segment liabilities	1,864,553	865,768	287,166	206,253	(23,893)	3,199,847

⁽¹⁾ Restated figures from the change of the principle in allocation as mentioned above.

Information about major customers

During the years ended 31 December 2023 and 2022, the Bank and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

8.31 Interest income

Interest income for the years ended 31 December 2023 and 2022 consisted of the following:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Interbank and money market items	12,185	4,338	12,184	4,338
Investment and trading transactions	190	217	190	217
Investment in debt securities	4,637	4,246	4,646	4,263
Loans to customers	134,635	104,302	119,137	89,327
Hire-purchase and finance leases	231	111	-	-
Others	491	261	491	261
Total interest income	152,369	113,475	136,648	98,406

8.32 Interest expenses

Interest expenses for the years ended 31 December 2023 and 2022 consisted of the following:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Deposits	15,393	9,651	15,417	9,659
Interbank and money market items	4,049	1,904	3,953	1,843
Contributions to Bank of Thailand (BOT)	12,148	6,176	12,148	6,176
Contributions to Deposit Protection Agency (DPA)	261	267	261	267
Debt issued				
- Subordinated debentures	1,476	1,785	1,476	1,785
- Others	5,015	3,010	3,691	1,776
Borrowings	1	1	1	1
Borrowing fees	10	10	-	-
Others	597	266	577	253
Total interest expenses	38,950	23,070	37,524	21,760

8.33 Fees and service income

Fees and service income for the years ended 31 December 2023 and 2022 consisted of the following:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Fees and service income				
Acceptance, aval and guarantees	1,526	1,658	1,526	1,658
ATM and electronic banking services	10,329	11,253	10,329	11,253
Management fees and Bancassurance Products	6,011	6,032	3,944	3,808
Others	10,805	9,153	4,884	4,727
Total fees and service income	28,671	28,096	20,683	21,446
Fees and service expenses	(7,799)	(7,780)	(5,113)	(5,564)
Net fees and service income	20,872	20,316	15,570	15,882

8.34 Net gains on financial instruments measured at fair value through profit or loss

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Gains (losses) on trading and foreign exchange transactions				
- Foreign exchange and foreign exchange element of derivatives contracts	4,113	6,008	4,113	6,008
- Interest rate element of derivatives contracts	1,003	(3,294)	1,003	(3,294)
- Debt securities	351	21	351	21
- Equity securities	10	184	10	184
- Others	109	150	109	150
Losses from hedge accounting hedged items	(408)	2,164	(408)	2,164
Total	5,178	5,233	5,178	5,233

8.35 Net gains on investments

Net gains on investments for the years ended 31 December 2023 and 2022 consisted of the following:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Gains on derecognition of Investments in debt securities measured at fair value through other comprehensive income	195	239	193	239
Total	195	239	193	239
Reversal of (losses on) impairment of Investment in subsidiaries and associate	-	-	(37)	133
Total gains on investments	195	239	156	372

8.36 Expected credit losses

Expected credit losses and gains or losses resulting from modification of terms for financial assets for the years ended 31 December 2023 and 2022 are as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Interbank and money market items (assets)	71	623	71	623
Investments in debt securities measured at amortised cost	-	(8)	-	(8)
Investments in debt securities measured at fair value through other comprehensive income	-	(15)	-	(15)
Loans to customers and accrued interest receivables				
- Expected credit losses	37,253	23,995	31,266	19,354
- Losses from modification of contracts	217	96	217	96
Total	37,541	24,691	31,554	20,050
Loan commitments and financial guarantee contracts	(456)	(353)	(456)	(353)
Total	37,085	24,338	31,098	19,697

8.37 Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to ordinary shareholders of the Bank (after deducting the preferred shares's portion and excluding other comprehensive income) by the weighted average number of ordinary shares issued during the years.

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Profit for the year attributable to equity holders of the Bank (after deducting preferred shares' portion) (Million Baht)	36,612	33,695	34,677	31,679
Earnings per share (Baht/share)	2.62	2.41	2.48	2.27
Weighted average number of ordinary shares (Million shares)	13,976	13,976	13,976	13,976

8.38 Provident fund

The Bank, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contributed to the fund monthly, at rates of 2 - 15 percent of their basic salaries, and the Bank and its subsidiaries contributed to the fund at stipulated rates. The fund will be paid to the employees upon termination of employment in accordance with the fund rules. During the years ended 31 December 2023 and 2022, the Bank and its subsidiaries contributed Baht 1,331 million and Baht 1,389 million, respectively, to the fund (separate financial statements: Baht 1,088 million and Baht 1,175 million, respectively).

8.39 Fair value of financial instruments

Financial assets and liabilities carried at fair value classified by the level of fair value hierarchy are as follows:

(Unit: Million Baht)

Consolidated financial statements								
31 December 2023					31 December 2022			
Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value								
Financial assets								
Financial assets								
measured at fair value								
through profit or loss	79	25,867	-	25,946	343	33,225	-	33,568
Investments in debt								
securities measured at								
fair value through other								
comprehensive income	-	246,760	-	246,760	-	258,350	-	258,350
Investments in equity								
securities designated at								
fair value through other								
comprehensive income	13,806	1,326	598	15,730	15,905	1,320	530	17,755
Derivatives assets	-	69,461	-	69,461	-	83,170	-	83,170
Financial liabilities								
Financial liabilities								
measured at fair value								
through profit or loss	-	-	-	-	-	2,319	-	2,319
Derivatives liabilities	-	63,937	-	63,937	-	78,507	-	78,507

(Unit: Million Baht)

Separate financial statements								
31 December 2023				31 December 2022				
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
Financial assets and liabilities measured at fair value								
Financial assets								
Financial assets								
measured at fair value								
through profit or loss	79	25,867	-	25,946	343	33,225	-	33,568
Investments in debt								
securities measured at								
fair value through other								
comprehensive income	-	247,653	-	247,653	-	259,553	-	259,553
Investments in equity								
securities designated at								
fair value through other								
comprehensive income	13,806	1,326	596	15,728	15,905	1,317	530	17,752
Derivatives assets	-	69,461	-	69,461	-	83,170	-	83,170
Financial liabilities								
Financial liabilities								
measured at fair value								
through profit or loss	-	-	-	-	-	2,319	-	2,319
Derivatives liabilities	-	63,937	-	63,937	-	78,507	-	78,507

Since the majority of the Bank's financial instruments, which were not measured at fair value, are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is assumed to approximate their book value in the statement of financial position.

Valuation techniques and inputs used for fair value measurement

Cash	- The fair value is assumed to approximate its book value in the statement of financial position.
Interbank and money market items (asset)	- The fair value is assumed to approximate their book value in the statement of financial position due to their short-term nature.
Derivatives	- The fair value of derivatives is referred to market price. In case the fair value cannot be quoted in market price, the fair value is determined by using valuation techniques. The information used in the valuation techniques is observable in the market, which is based on reliable sources, such as interest rates and exchange rates etc. Moreover, in using valuation techniques, the Bank has adjusted valuation adjustment in order to appropriately reflect relevant risks such as credit valuation adjustment (CVA) market liquidity risk based on Bid-Offer Spread Adjustment and risks from future cash flow adjustments which occur when the contracting party is able to meet the ESG conditions as specified, etc.

Financial assets measured at fair value through profit or loss/Investments	- The fair value of marketable securities is based on the latest bid price of the last working day of the year. - The fair value of domestic debt securities is determined using the yield rates quoted by the Thai Bond Market Association and adjusted valuation in order to appropriately reflect market liquidity risk based on Bid - Offer Spread Adjustment. - The fair value of foreign currency debt securities is determined based on the latest published price obtained from reliable sources e.g., Bloomberg. - The fair value of unit trusts is determined from their net asset value - The fair value of investments in non -marketable equity securities is determined using their latest book value from the entity's financial statements.
Loans to customers	- The fair value of floating rate loans is assumed to approximate their book value, net of allowance for expected credit losses. - The fair value of fixed rate loans is determined by discounting the expected future cash flows at the interest rate of similar loans, net of allowance for expected credit losses and deferred revenue. - The fair value of fixed rate loans for which revenue recognition has discontinued is assumed to approximate their book value, net of allowance for expected credit losses or to approximate the amount expected to be derived from their sale.

Land, premises and equipment - land	- The fair value of land is determined by using the market comparison approach which is used whereby the buying and selling prices for assets with similar characteristics are obtained.
Deposits	- The fair value of payable on demand deposits, floating rate deposits or fixed rate deposits with not more than 1 year from the statement of financial position date remaining to maturity is assumed to approximate their book values. - The fair value of fixed rate deposits with more than 1 year from the statement of financial position date remaining to maturity is determined by discounting the expected future cash flows at the Bank's interest rate for similar deposits.
Interbank and money market items (liabilities)	- The fair value of interbank and money market items payable on demand, floating rate deposits or fixed rate deposits with not more than 1 year from the statement of financial position date remaining to maturity is assumed to approximate their book values. - The fair value of fixed rate interbank and money market items with more than 1 year from the statement of financial position date remaining to maturity is determined by discounting the expected future cash flows at the interest rate which reflect the Bank's interest rate risk and credit risk.

Liability payable on demand	- The fair value is assumed to approximate its book value in the statement of financial position due to its short-term nature.
Debt issued and borrowings	- The fair value of floating rate or fixed rate debt issues and borrowings with not more than 1 year from the statement of financial position date remaining to maturity is assumed to approximate their book values. - The fair value of fixed rate debt issues and borrowings with more than 1 year from the statement of financial position date remaining to maturity is determined by discounting the expected future cash flows at the interest rate which reflect the Bank's interest rate risk and credit risk.
Financial liabilities measured at fair value through profit or loss	- The fair value of financial liabilities measured at fair value through profit or loss is determined using in the same method as the fair value measurement of investments

During the current year, the Bank and its subsidiaries have no changes of the fair value hierarchy.

8.40 Policies on business transactions within the financial business group and risk management policies in relation to business transactions within the financial business group.

The BOT's Notifications No.SOR NOR SOR. 5/2560 and SOR NOR SOR. 9/2560 dated 27 April 2017, SOR NOR SOR. 12/2561 dated 22 May 2018, SOR NOR SOR.11/2562 dated 7 May 2019, SOR NOR SOR.8/2564 dated 20 July 2021 and SOR NOR SOR. 10/2566 dated 19 September 2023 regarding the Consolidated Supervision Policy, require the Bank to disclose policies on business transactions within the financial business group and risk management policies in relation to business transactions within the financial business group as the compliance guidance to supervise business transactions within the financial business group, which is composed of the Bank and 16 companies (Note 8.7 to the consolidated financial statements excluding National ITMX Co., Ltd.and BCI (Thailand) Co., Ltd.), in terms of common standards and procedures in alignment to the BOT's consolidated supervision policy. The policies on business transactions within the financial business group and risk management policies in relation to business transactions within the financial business group had been approved by the Bank's Board of Directors and reviewed at least once a year. The policies cover types of transaction, rules and regulations for business transactions, the ratio of business transactions within the financial business group, capital requirements of the financial business group and other related operating procedures. Business transactions within the group are conducted in the same manner as to the public with contract entitled by law and follow the Bank's corporate governance policy.

In cases of the Bank having business transactions with a company within the financial business group in which such company is deemed to be the Bank's business unit, the Bank will follow the lenient business transaction guideline as provided by BOT.

8.41 Others

8.41.1 The Bank has certain defaulting debtors in relation to convertible preferred shares sale and purchase agreement and lending facilities with the outstanding principal amounts according to the related sale and purchase agreements and facilities agreements, as of 31 December 2023 totaling Baht 8,748 million, exclusive of the default interests. In this regard, for such outstanding principal amounts, the Bank has fully made an allowance for expected credit losses according to the BOT's criteria and it is currently in the execution process according to the orders of the Civil Court and the Bankruptcy Court.

In addition, such debtors together with other defendants were connected to a lawsuit of the Office of the Attorney General which was submitted to the Criminal Division for Persons Holding Political Positions of the Supreme Court's (the "Supreme Court"). The Supreme Court had ordered an acceptance of the complaint on 25 July 2012 and thereafter rendered a judgement on 26 August 2015 that all defendants shall be jointly liable for damages to the Bank. The Bank had submitted a letter to the Office of the Attorney General requesting the Department of Legal Execution, the Office of the Attorney General to execute a judgement for the Bank. In January 2016, the Office of the Attorney General had submitted a motion to the Supreme Court requesting for a writ of execution for appointing the executing officers and the Supreme Court ordered and appointed the executing officers. In this respect, the Bank had notified the public prosecutor of the result of a search for all judgment debtors' property. On 5 October 2016, the public prosecutor of the Department of Special Litigation arranged a meeting for representatives from the BOT, the Anti-Money Laundering Office ("AMLO") and the Bank to consider the issues regarding the legal execution of the Supreme Court's judgement and to coordinate and exchange information. Each party will legally exercise its authority and the Supreme Court's order to enforce all defendants for the best interest of the Bank's benefits and legal rights.

On 17 August 2017, a defendant of the criminal case of the Persons Holding Political Positions, who was not a defaulting debtor of the civil case, had made a payment of Baht 1,636 million to the Bank for payment of partial damages according to such criminal case. The Bank accepted the payment and recorded such payment as other revenue from a lawsuit compensation, as well as issuing a letter to such defendant demanding for payment of the remaining damages together with all relevant defendants to the Bank according to such judgement.

At present, judgments of the criminal case, other bankruptcy and civil cases have been enforced for confiscation execution of the mortgaged collaterals according to the preferred mortgage in the Bank's civil case for public auction. The court has issued an order for the Bank to receive debt payment as a mortgagee from such mortgaged collaterals according to an application for repayment of debt for the mortgaged debt submitted by the Bank. Thereafter, on 17 October 2018, the Legal Execution Department made an announcement for public auction and managed the proceedings of public auction for the mortgaged collaterals; whereby, a third party was the successful bidder for Baht 8,914 million. In 2019, the Bank has received the net amount of Baht 3,899 million from the Legal Execution Department for the mortgaged collaterals according to the preferred mortgage which were sold under the criminal case. The Bank exercised the right pursuant to Thai laws by deducting fees and litigation expenses of the Bank for Baht 1 million, and the remaining amount of Baht 3,898 million after the Legal Execution Department's deduction of expenses was considered as interest payment according to the judgment of the Bank's civil case. In this respect, on 25 September 2019, a defendant of the criminal case has filed a civil lawsuit against the Bank for taking the lawsuit amount to be recorded as the damages pursuant to the judgment of such criminal case in which the Bank submitted defending response, the Bank's action affirming. On 23 September 2022, the civil court has dismissed the civil case.

In 2020, the Bank had received net payment from the Legal Execution Department for the mortgaged collaterals which had been sold in other bankruptcy cases in the amount of Baht 3,524 million. The Bank exercised the right pursuant to Thai laws by deducting expenses in relation to auction announcement of Baht 0.02 million, and the remaining amount of Baht 3,524 million was considered as interest payment according to the judgement of the Bank's civil case. For other civil cases, currently, the Bank has received the net amount of Baht 1,223 million from the Legal Execution Department for the mortgaged collaterals according to the preferred mortgage which were sold under civil cases. The Bank exercised the right pursuant to Thai laws by deducting for interest in the amount of Baht 1,223 million according to the judgement of the Bank's civil case. On July 8, 2020, the Legal Execution Department made an announcement of public auction for the remaining 1 plot of land from the collateral in a criminal case, and managed the proceedings of public auction for such mortgaged collateral; whereby, a third party was the successful bidder for Baht 7.29 million, the buyer placed a bid deposit in full. The Bank received a net amount of Baht 7.06 million, which the Bank has exercised its legal right to considered as interest payment according to the Bank's civil judgement.

For the Bank's civil case, whereby the Bank was a plaintiff suing for the foreclosure of such mortgaged collaterals, the Civil Court had rendered a judgement in favor of the Bank to receive full payment of debt according to the grounds of the lawsuit together with interest on 28 September 2017. Thereafter, on 31 October 2018, the Appeal Court had issued an appointment for the hearing of judgement, which upheld the judgement of the Civil Court. The defendant had filed a petition to the Supreme Court on 25 December 2018 and the Bank had filed an answer against such defendant's petition on 25 February 2019. Currently, the Supreme Court had rendered a judgement on 5 May 2020 which upheld the judgement of the Court of Appeal.

- 8.41.2 In 2010, the Bank lent a company USD 96 million (Baht 2,885 million), for which an investment in the ordinary shares of a foreign financial institution was pledged as collateral. Although these shares, accounting for 50 percent of such financial institution's authorised shares capital, were under the Bank's name, the Bank had no control over this financial institution. The Bank received full repayment of the loan under the contract in July 2011 but had not yet transferred such pledged ordinary shares back to the company because the company must first seek a financial institution to be a new investor of such financial institution.
- 8.41.3 The Bank is in the process of closing Mumbai Branch India. The assets, liabilities and operating performance of such branch is not material to the Bank's financial statements.

8.42 COVID-19

The COVID-19 pandemic is having a widespread impact on all business sectors and customer segments across Thailand, the BOT has issued a series of measures, covering payment moratoriums, government guarantees as well as payment holidays to get bank helped affected borrowers and industries that are encountering short-term cash flow problems to resume repayment ability at the end. The Bank provides assistance to debtors continuously. As at 31 December 2023, the Bank has outstanding balances of loans to customers including restructured loans amounting to Baht 63 billion that provides assistance type 1 to debtors and the Bank elects to apply accounting guidance on the guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution) in the preparation of its financial statements.

8.43 Events after the reporting period

On 28 February 2024, the Board of Directors passed a resolution to propose the payment of a dividend, at a rate of Baht 0.8680 per share to the ordinary shareholders and at a rate of Baht 1.0225 per share to the preferred shareholders, or a total of Baht 12,137 million, to the Annual General Meeting of Shareholders for consideration and approval.

8.44 Approval of the financial statements

These financial statements were authorised for issue by the Board of Directors 28 February 2024.

Attachment 1 Details of directors and executives

Brief Biography of Board of Directors (as at 31 December 2023)

1. Mr. Lavaron Sangsnit

Chairman

Age 55

Appointed: Director

December 21, 2020

Appointed: Chairman

October 11, 2023

Education

- M.S. (Economic Policy and Planning), Northeastern University, USA
- Bachelor of Economics, Chulalongkorn University

Training Program

- Class 58, National Defence Course, The National Defence College
- Class 205/2015 Director Certification Program (DCP), IOD
- Class 10 Year 2022, The Rule of Law for Democracy, College of the Constitutional Court
- Class 12/2018, Top Executive Program in Energy Literacy, Thailand Energy Academy
- Class 25/2017, Top Management Program, Capital Market Academy
- Class 7, Executive Program in Public Administration, Office of the Civil Service Commission (OCSC)
- Year 2021, Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2023, Cyber Security Awareness Program, Krungthai Bank PCL by guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 1 January 2023)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2023

Positions in Other Listed Companies: 1 Listed Company

2023 - Present Director and Member of the Nominating Committee, PTT PCL

Positions in Non-Listed Companies: 4 Non-Listed Companies

2023 - Present Permanent Secretary, Ministry of Finance

2023 - Present Director, The Securities and Exchange Commission

2023 - Present Chairman, Office of Insurance Commission (OIC)

2021 - Present Chairman, The Government Lottery Office

Experience

2022 - 2023 Director-General, The Revenue Department

2021 - 2023 Director and The Corporate Governance and Sustainability Committee Report, Global Power Synergy PCL

2020 - 2022 Director-General, The Excise Department

2018 - 2021 Director and Chairman of the Board of Executive Directors, Aeronautical Radio of Thailand Ltd.

2018 - 2021 Director, Tobacco Authority of Thailand

2018 - 2020 Director-General, The Fiscal Policy Office

2018 - 2020 Chairman, Deposit Protection Agency

2018 - 2020 Board Member, Capital Market Supervisory Board, The Securities and Exchange Commission

2018 - 2020 Director, Bank of Thailand

2018 - 2020 Member of the Financial Institutions Policy Committee, Bank of Thailand

2016 - 2020 Director and Chairman of the Risk Management Committee, Krungthai Asset Management PCL

2016 - 2018 Inspector General, Office of the Permanent Secretary, Ministry of Finance

2. Mr. Krairit Euchukanonchai

Vice Chairman

Chairman of the Board of Executive Directors

Chairman of the Risk Oversight Committee

Age 68

Appointed: Director

October 15, 2015

Appointed: Vice Chairman

January 14, 2016

Education

- Master of Business Administration (Finance and Banking), North Texas State University, USA
- Bachelor of Science, Chulalongkorn University

Training Program

- Class 16/2007, Role of the Chairman Program (RCP), IOD
- Class 59/2005, Director Certification Program (DCP), IOD
- Top Executive Program in Energy Literacy, Thailand Energy Academy
- Year 2021, Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2023, Cyber Security Awareness Program, Krungthai Bank PCL by guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 1 January 2023)

Family Relationship with Director and Executive Officer None
Other Position as at 31 December 2023

Positions in Other Listed Companies: 2 Listed Companies

2021 - Present	Chairman and Chairman of the Independent Director Committee, PTT Exploration and Production PCL
2014 - Present	Independent Director, Chairman of Audit and Risk Committee, Advanced Info Service PCL

Positions in Non-Listed Companies: 5 Non-Listed Companies

2021 - Present	Honorary Director (Finance), The Securities and Exchange Commission
2020 - Present	Honorary Director (Finance), Office of Insurance Commission (OIC)
2020 - Present	Chairman, Infinitas by Krungthai Co., Ltd.
2014 - Present	Director, Advanced Wireless Network Co., Ltd.
2000 - Present	Chairman, V.Group Honda Cars Co., Ltd. and affiliated companies

Experience

2018 - 2020	Chairman and Chairman of the Independent Director Committee, PTT PCL
2017 - 2019	Chairman, Mass Rapid Transit Authority of Thailand
2011 - 2012	Director and Member of the Audit Committee, PTT PCL
2011 - 2012	Director, PTT Exploration and Production PCL
2006 - 2012	Chairman and Chairman of the Risk Management Committee, Krungthai Asset Management PCL
2001 - 2011	Director and Member of the Investment Committee, Siam Commercial New York Life Insurance PCL

3. Mr. Vichai Assarasakorn

Director

Independent Director

Chairman of the Audit Committee

Member of the Corporate Governance and Sustainability Committee

Age 63

Appointed:

November 24, 2017

Education

- Bachelor of Engineering in Electrical Engineering, The University of New South Wales, Australia

Training Program

- Class 22, National Defence Course for the Joint State-Private Sectors, The National Defence College
- Class 215/2016, Director Certification Program (DCP), IOD
- Class 7/2016, Top Executive Program in Energy Literacy, Thailand Energy Academy

- Class 8/2015, Top Executive Program in Commerce and Trade (TEPCoT), Commerce Academy, University of the Thai Chamber of Commerce
- Year 2013, ASEAN Executive Management Programme, Sasin Graduate Institute of Business Administration of Chulalongkorn University (Sasin)
- Class 12/2011, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand
- Year 2018, Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, ACIS Professional Center
- Year 2021, Cyber Resilience Program, Bank of Thailand
- Year 2021, Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2023, Cyber Security Awareness Program, Krungthai Bank PCL by guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 1 January 2023)

Family Relationship with Director and Executive Officer None
Other Position as at 31 December 2023

Positions in Other Listed Companies: 1 Listed Company

2021 - Present	Chairman, Independent Director and Chairman of the Audit Committee, Asian Alliance International PCL

Positions in Non-Listed Companies: 10 Non-Listed Companies

2023 - Present	Director, T.G. Cellular World Co., Ltd.
2023 - Present	Director, Kabinburi Industrial Zone Limited
2023 - Present	Director, K I Z Management Co., Ltd.
2020 - Present	Committee member of the Prevention and Suppression of Corruption and Abuse of Powers Reform of the Thailand's National Reform, Office of the National Economic and Social Development Council
2020 - Present	Honorary Director (Business Administration), Office of Insurance Commission (OIC)
2014 - Present	Director, Panel Plus Co., Ltd.
2014 - Present	Director, Panel Plus MDF Co., Ltd.
2014 - Present	Vice Chairman, Anti-Corruption Organization of Thailand
2013 - Present	Vice Chairman, The Thai Chamber of Commerce
1995 - Present	Director, Shiang Heng International Co., Ltd

Experience

2019 - 2021	Independent Director and Member of the Audit Committee, Asian Sea Corporation PCL
2014 - 2020	Independent Director and Member of the Audit Committee, PTT PCL

4. Mr.Thanwa Laohasiriwong

Director

Independent Director

Chairman of the Nomination and Remuneration Committee

Member of the Audit Committee

Member of the Compliance Committee

Member of the Risk Oversight Committee

Age 58

Appointed:

January 26, 2016

Education

- Bachelor of Engineering (Computer), King Mongkut's Institute of Technology Ladkrabang

Training Program

- Class 60, National Defence Course, National Defence College
- Class 2/2023, Hot Issue for Director: Climate Governance, IOD
- Class 9/2023, Director Leadership Certification Program (DLCP), IOD
- Class 13/2021, Board Nomination and Compensation Program (BNCP), IOD
- Class 45/2019, Role of the Chairman Program (RCP), IOD
- Class 2/2017, Boardroom Success through Financing and Investment (BFI), IOD
- Class 2/2016, Driving Company Success with IT Governance (ITG), IOD
- Class 20/2015, Advanced Audit Committee Program (AACP), IOD
- Class 1/2015, Ethical Leadership Program (ELP), IOD
- Class 22/2014, Successful Formulation & Execution of Strategy (SFE), IOD
- Class 10/2004, Finance for Non-Finance Directors (FND), IOD
- Class 43/2004, Director Certification Program (DCP), IOD
- Year 2001, IBM/Harvard Management Development Program
- Year 1998, IBM/INSEAD Management Development Program
- Class 4/2016, Environmental Governance for Executive Officer, Department of Environmental Quality Promotion (DEQP), Ministry of Natural Resources and Environment
- Year 2018, Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, ACIS Professional Center
- Class 20/2019, Corporate Governance for Director and Top Management of State Owned Enterprise and Public Organization Course, Public Director Institute (PDI), King Prajadhipok's Institute
- Class 13/2019, Top Executive Program in Energy Literacy, Thailand Energy Academy

- Class 3/2019, Executive Program on Rule of Law and Development (RoLD), Thailand Institute of Justice (TIJ)
- Class 30/2020, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand
- Year 2020, Cyber Resilience Program, Bank of Thailand
- Year 2021, Cyber Resilience Program, Bank of Thailand
- Year 2021, Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2023, Cyber Security Awareness Program, Krungthai Bank PCL by guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 1 January 2023)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2023

Positions in Other Listed Companies: 3 Listed Companies

2023 - Present	Independent Director and Chairman of the Audit Committee, PTT Global Chemical PCL
2018 - Present	Advisor of Investment Committee, BCPG PCL
2014 - Present	Independent Director, Chairman of the Audit Committee and Member of the Nominating and Remuneration Committee, TPBI PCL

Positions in Non-Listed Companies: 2 Non-Listed Companies

2023 - Present	Chairman and Independent Director, LTMH PCL
2020 - Present	Director and Member of the Audit Committee, Relationship Republic Co., Ltd.

Experience

2019 - 2023	Member of the Support Research and Innovation Administration Committee, National Research Council of Thailand (NRCT)
2022 - 2023	Independent Director, Member of the Audit Committee and Member of the Corporate Governance and Sustainable Development Committee, Global Green Chemicals PCL
2021 - 2022	Independent Director, Supamitr General Hospital PCL
2019 - 2020	Independent Director and Member of the Audit Committee, State Railway of Thailand
2018 - 2019	Honorary Director, Thailand Research Fund Policy Committee, The Thailand Research Fund (TRF)
2015 - 2019	Chairman, Humanica PCL
2014 - 2018	Director and Executive Director, TOT PCL

5. Prof.Dr. Kittipong Kittayarak

Director

Chairman of the Corporate Governance and Sustainability Committee

Member of the Compliance Committee

Age 65

Appointed:

July 24, 2014

Education

- Honorary Doctorate Degree, Radboud University, Netherland
- Doctor of the Science of Laws (J.S.D.), Stanford University, USA (Fulbright Scholarship)
- Master of Laws (LL.M.), Harvard University, USA (Fulbright Scholarship)
- Master of Laws (LL.M.), Cornell University, USA (OCSC Scholarship)
- Barrister-at-Law, Institute of Legal Education Thai Bar
- Association Bachelor of Laws (Honors), Chulalongkorn University

Training Program

- Class 49, National Defence Course, National Defence College
- Class 112/2014, Director Accreditation Program (DAP), IOD
- Class 18/2015, Advanced Audit Committee Program (AACP), IOD
- Class 1/2013, Certificate in, Law for Democracy, Office of the Constitutional Court
- Class 1/2012, Top Executive Program in Energy Literacy, Thailand Energy Academy
- Class 8/2009, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand
- Class 10/2006, Top Executive Program in Justice Administration, Judicial Training Institute
- Class 5/2001, Politics and Governance in Development Systems or Executive Course, King Prajadhipok's Institute
- Year 2018, Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, ACIS Professional Center
- Year 2020, Cyber Resilience Program, Bank of Thailand
- Year 2021, Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2023, Cyber Security Awareness Program, Krungthai Bank PCL by guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 1 January 2023)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2023

Positions in Other Listed Companies: 4 Listed Companies

2021 - Present Independent Director, Member of the Audit

Committee and Member of the Corporate Governance and Sustainable Development Committee, Charoen Pokphand Foods PCL

2021 - Present Independent Director, Member of the Nomination and Remuneration Committee and Chairman of the Corporate Governance and Sustainability Committee, True Corporation PCL

2021 - Present Independent Director, CP ALL PCL

2016 - Present Independent Director and Nomination, Remuneration and Corporate Governance Committee Member, Dusit Thani PCL

Positions in Non-Listed Companies: 12 Non-Listed Companies

2023 - Present Member of the Board of Committee, Thai Bar Association

2022 - Present Governor and Chairman of Sustainable Subcommittee, Member of the Audit Subcommittee, Member of the Law Subcommittee, Member of the Disciplinary Subcommittee, The Stock Exchange of Thailand

2021 - Present Advisor, Thailand Institute of Justice (Public Organization)

2021 - Present Private Sector Collective Action against Corruption Committee

2019 - Present Vice Chairman, Thai Red Cross Society's Organ Donation

2019 - Present Chancellor of the King Mongkut's Institute of Technology Ladkrabang

2018 - Present Committee, Ramathbodi Foundation Under the Royal Patronage of His Majesty the king, Her Royal Highness Princess Maha Chakri Sirindhorn

2017 - Present Executive Director and Vice Chairman, Friend in Need (of "PA") Volunteers Foundation, Thai Red Cross

2016 - Present Adjunct Professor, Faculty of Law, Chulalongkorn University

2014 - Present Chairman, Bangkok University Council

2011 - Present Executive Director and Chairman (Thailand Branch), ASIA Crime Prevention Foundation (ACPF) (Consultative Status with ECOSOC)

2006 - Present Executive Director, Bajrakitiyabha Fund for Legal Education

Experience

2018 - 2022 Director, Chakri Naruebodindra Medical Institute and Ramathibodi Chakri Naruebodindra Hospital

2015 - 2021 Executive Director, Thailand Institute of Justice (Public Organization)

2014 - 2021	Director of the Civil Service Sub-commission on Human Resource Management System Development, Office of the Civil Service Commission
2014 - 2021	Director, consider improvement on the Code of Criminal Procedure, Office of the Council of State
2014 - 2021	Independent Director and Chairman of the Corporate Governance Committee, PTT PCL
2010 - 2021	Member of the Board of Committee, Thai Bar Association
2018 - 2020	Vice-President of the Mahidol University Council
2009 - 2020	Member of Mahidol University Council
2017 - 2019	Executive Subcommittee, Office of the Judiciary - International Affairs

6. Mr. Teerapong Wongsawilas

Director

Independent Director

Chairman of the Compliance Committee

Member of the Nomination and Remuneration Committee

Age 59

Appointed:

December 21, 2020

Education

- Bachelor of Laws, Thammasat University

Training Program

- Class 13/2022, Board Nomination and Compensation Program (BNCP), IOD
- Class 6/2022, Director Leadership Certification Program (DLCP), IOD
- Class 246/2017, Director Certification Program (DCP), IOD
- Class 57, National Defence Course, The National Defence College
- Class 8, Senior Executive Program, The office of the Civil Service commission
- Class 12/2013, Public Law and Management, King Prajadhipok's Institute
- Year 2021, Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2023, Cyber Security Awareness Program, Krungthai Bank PCL by guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 1 January 2023)

Family Relationship with Director and Executive Officer None
Other Position as at 31 December 2023

Positions in Other Listed Companies: 2 Listed Companies

2023 - Present Chairman, MCOT PCL

2022 - Present Independent Director, Member of the Audit Committee and Member of the Nominating and Remuneration Committee, PTT Exploration and Production PCL

Positions in Non-Listed Companies: 5 Non-Listed Companies

2022 - Present Permanent Secretary, The Office of the Permanent Secretary

2022 - Present Honorable Executive Director of the Judicial Administration (Administration and Management), Court of Justice

2022 - Present Executive Committee of the Broadcasting and Telecommunications Research and Development Fund for Public Interest

2022 - Present Council of State No.7 (Natural Resources and Environment Law), Office of the Council of State

2020 - Present Committee member of the Political Reform of the Thailand's National Reform, Office of the National Economic and Social Development Council

Experience

2022 - 2023 Director and Member of the Audit Committee, Mass Rapid Transit Authority of Thailand

2019 - 2023 Honorable Special Investigation Committee (Law), Department of Special Investigation, Ministry of Justice

2021 - 2022 Government Official Advisor to Prime Minister

2019 - 2021 National Science and Technology Development Committee, National Science and Technology Development Agency

2017 - 2021 Independent Director and Member of the Audit Committee, Bangchak Corporation PCL

2017 - 2021 Secretary-General to the Cabinet, The Secretariat of the Cabinet

7. Mr. Virasak Sutanthavibul

Director

Chairman of the Independent Committee

Member of the Board of Executive Directors

Member of the Risk Oversight Committee

Age 66

Appointed:

7 April 2023

Education

- M.E., Texas A&M University, Texas, USA
- Bachelor of Engineering, Chulalongkorn University

Training Program

- Class 21/2003, Director Accreditation Program (DAP), IOD
- Class 18/2005, The Joint State - Private Sectors, The National Defence College
- Class 10/2010, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand
- Class 1/2012, Top Executive Program in Energy Literacy, Thailand Energy Academy
- Class 17/2012-2013, Top Executive Program in Justice Administration, Judicial Training Institute
- Class 2/2015, Completion and Graduation Pin, Institute of Business and Industrial Development (IBID)
- Class 2/2018, Business Revolution and Innovation Network (BRAIN), The Federation of Thai Industries
- Advanced Management Program, Harvard University, USA
- Financial Institution for Private Enterprise Development, Harvard University, USA
- Year 2023, Cyber Security Awareness Program, Krungthai Bank PCL by guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 7 April 2023)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2023

Positions in Other Listed Companies: 4 Listed Companies

2023 - Present Independent Director and Chairman of the Audit Committee, Super Energy Corporation PCL

2021 - Present Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee, Nirvana Development PCL

2016 - Present Independent Director, Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee, Thai Plaspac PCL

2004 - Present Independent Director and Member of the Audit Committee, T.Krungthai Industries

Positions in Non-Listed Companies: 1 Non-Listed Company

2020 - Present Director, Food Moments PCL

Experience

2021 - 2023 Director, Asia Lamp Industry Co., Ltd

2021 - 2023 Director, Thai Indo Kordsa Co., Ltd.

2019 - 2023 Director, New Paradigm Co., Ltd.

2016 - 2023 Director, Bualuang Ventures Co., Ltd.

2019 - 2020 Independent Director, Chairman of the Audit Committee and Member of the Risk Management Committee, NFC PCL

2005 - 2020 Independent Director Chairman of the Corporate Governance and Sustainability Committee and Director of the Remuneration and Nomination Committee, Bangkok Insurance PCL

1997 - 2020 Senior Executive Vice President, Bangkok Bank PCL

2014 - 2018 Independent Director and Chairman of the Audit Committee Begistics PCL

8. Ms. Jiraphon Kawswat

Director

Independent Director

Member of the Audit Committee

Member of the Corporate Governance and Sustainability Committee

Age 61

Appointed:

October 26, 2022

Education

- Master of Business Administration (Financial Management), Kasetsart University
- Master of Accountancy (Cost Accounting), Chulalongkorn University
- Bachelor of Science (Accounting), Kasetsart University

Training Program

- Class 51/2022, Role of Chairman Program (RCP), IOD
- Class 46/2022, Advanced Audit Committee Program (AACP), IOD
- Year 2021, Director Leadership Certification Program (DLCP), IOD
- Class 19/2020, Risk Management Program for Corporate Leaders (RCL), IOD
- Class 2/2014, Director Certification Program Update (DCPU), IOD
- Class 6/2014, How to Develop a Risk Management Plan (HRP), IOD
- Class 21/2014, Successful Formulation & Execution of Strategy (SFE), IOD
- Class 180/2013, Director Certification Program (DCP), IOD
- TLCA Executive Development Program (EDP), Thai Listed Companies Association
- Class 20/2019, Corporate Governance Program for Directors and Executives of State Enterprises and Public Organization, King Prajadhipok's Institute
- Class 3/2019, Executive Program on Rule of Law and Development (RoLD Program), Thailand Institute of Justice
- Class 12/2018, Certificate, Executive Program in Energy Literacy for a Sustainable Future, Thailand Energy Academy (TEA)
- Class 26/2018, Top Executive Program, Capital Market Academy (CMA)

- Senior Executive Program, London Business School, United Kingdom
- Leadership Development Program III, (Class 2/2015), PTT Leadership and Learning Institute
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2023, Cyber Security Awareness Program, Krungthai Bank PCL by guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 1 January 2023)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2023

Positions in Other Listed Companies None

Positions in Non-Listed Companies: 1 Non-Listed Companies

2023 - Present Advisor, Chitralada Technology Institute

Experience

2018 - 2022	Director and Member of the Enterprise Risk Management Committee, PTT Oil and Retail Business PCL
2018 - 2022	Acting President and Chief Executive Officer, PTT Oil and Retail Business PCL
2018 - 2022	Senior Executive Vice President, PTT PCL
2018	Director and Member of the Nomination and Remuneration Committee, IRPC PCL
2017 - 2018	Senior Executive Vice President, Oil Business Unit, PTT PCL.

9. Mr. Attapol Attaworadej

Director

Member of the Corporate Governance and Sustainability Committee

Member of the Compliance Committee

Age 50

Appointed:

7 April 2023

Education

- Master of Laws, Ramkhamhaeng University
- Bachelor of Laws, Ramkhamhaeng University

Training Program

- Class 330/2022, Director Certification Program (DCP), IOD
- Graduate Diploma Program in Business Law (Law and Risk Management), Thammasat University
- Class 80, The Civil Service Executive Development Program, Office of the Civil Service Commission (OCSC)
- Class 11, Senior Executive Development Program, Office of the Civil Service Commission (OCSC)
- Class 12, Anti-Corruption Strategic Management for Senior Executives, Office of the National Anti-Corruption Commission

- Year 2023, Cyber Security Awareness Program, Krungthai Bank PCL by guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 7 April 2023)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2023

Positions in Other Listed Companies None

Positions in Non-Listed companies: 5 Non-Listed Companies

2023 - Present Fiscal Adviser, Office of the Permanent Secretary

2022 - Present Legal Subcommittee, National Savings Fund

2022 - Present Director, Erawan Hotel PCL

2020 - Present Director, Sukhumvit Asset Management Co.,Ltd.

2017 - Present Legal Subcommittee, Neighboring Countries Economic Development Cooperation Agency (Public Organization)

Experience

2019 - 2023	Deputy Director General, Fiscal Policy Office
2019 - 2023	Chairman of the Legal Subcommittee, Specialized Financial Institutions Development Fund
2023	Director of the Government Housing Bank
2020 - 2021	Director, CAT Telecom PCL
2019 - 2021	Chairman, Secondary Mortgage Corporation
2012 - 2018	Director of the Legal Affairs Bureau, Fiscal Policy Office

10. Mr. Payong Srivanich

Chief Executive Officer

(Authorized Signatory Director)

Executive Director

Member of the Risk Oversight Committee

Age 55

Appointed:

Chief Executive Officer: November 8, 2016

Renewal the Chief Executive Officer for another term: November 8, 2020

Education

- MBA, University of Pittsburgh, Pittsburgh, Pennsylvania, USA
- BS in Industrial Engineering, University of Arizona, Tucson, Arizona, USA

Training Program

- Class 223/2016, Director Certification Program (DCP), IOD
- Year 2018, Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, ACIS Professional Center
- Training and Development for High Executive Project, Royal Thai Police
- TIJ Executive Program on the Rule of Law and Development : RoLD 2019 ,Thailand Institute of Justice (TIJ)

- Year 2021, Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2023, Cyber Security Awareness Program, Krungthai Bank PCL by guest speaker

Number of Shares in company 16,050 Shares

(Personal 12,800 Shares and Spouse 3,250 Shares)

% of Share in company 0.00011% of Shares

(not changed since 1 January 2023)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2023

Positions in Other Listed Companies: 1 Listed Company

2021 - Present Independent Director and Chairman of the Nominating Committee, PTI PCL

Positions in Non-Listed companies: 24 Non-Listed Companies

2023 - Present Committee, Policy Committee to support sports associations from state enterprises and the private sector

2023 - Present Committee, The 10,000-baht Digital Wallet Scheme Committee

2023 - Present Sub-Committee, The 10,000-baht Digital Wallet Driven Scheme Sub-committee

2021 - Present Director, Board of Special Economic Development Policy

2021 - Present Director, Supervisory Board of Minor Population Debt Relief

2021 - Present Director, Steering Committee Friends in need of ("PA") 2021

2021 - Present Advisor, Executive Director of Global Compact Network Thailand Association

2021 - Present Director, KTB Advisory Co., Ltd.

2020 - Present Chairman, Thai Bankers' Association

2020 - Present Private Sector Committee, Board of the Office of SMEs Promotion, The Office of SMEs Promotion

2020 - Present Director, National Strategic Committee, Office of the National Economic and Social Development Council

2020 - Present Director, Eastern Economic Corridor (EEC) Policy Committee, Eastern Economic Corridor (EEC)

2020 - Present Director, Commission Policy on Private Participation in State Affairs, State Enterprise Policy Office

2020 - Present Committee, The Board of Anti-Corruption Organization of Thailand Foundation, Anti-Corruption Organization of Thailand Foundation

2020 - Present Advisor, Bureaucracy System Development Subcommittee about Studying and Setting Guidelines the Thailand National Digital Trade Platform Office of the Public Sector Development Commission

2020 - Present Committee, Capital Market Development Commission, Fiscal Policy Office

2020 - Present Director, Payment Systems Committee (PSC), Bank of Thailand

2020 - Present Board Member, Thailand Board of Investment (BOI)

2020 - Present Chairman, National Digital ID Co., Ltd.

2020 - Present Co-Chairmen, The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB)

2020 - Present Chairman, Development of Database Systems and Information Technology in Public Financial Institutions Subcommittee

2020 - Present Director, The ASEAN Bankers Association (ABA)

2019 - Present Senior Expert Committee, The National Financial Institution Development Board

2017 - Present Chairman, National ITMX Co., Ltd.

Experience

2020 - 2022 Director, Business Advisory of Center for Covid-19 Situation Administration (CCSA), Office of the National Economic and Social Development Council

2020 - 2022 Chairman, Analyze and Propose Economic Management Measures in the Urgent Period Subcommittee under the Executive Committee on Economic Situation Affected by the Coronavirus 2019 Outbreak, Office of the National Economics and Social Development Council

2563 - 2021 Corporate Secretary, Krung Thai Bank PCL

11. Lt. Gen. Nimit Suwannarat

Director

Independent Director

Member of the Nomination and Remuneration Committee

Member of the Risk Oversight Committee

Member of the Compliance Committee

Age 52

Appointed:

15 January 2024

Education

- Master of Political Science (International Relations), Chulalongkorn University
- Master of Science in Electrical Engineering (Communications and Signal Processing), University of Minnesota, Minnesota, USA

- Bachelor of Science in Electrical Engineering, Virginia Military Institute, Virginia, USA

Training Program

- Class 216/2016, Director Certification Program (DCP), IOD
- Director's Briefing - Corporate Strategy beyond the Crisis, a Chairman/Board Perspective, Bain & Company, Inc.
- Public Key Infrastructure (Certification Authority, Digital Signature) Course, NECTEC Ottawa, Canada
- Electronic Commerce Course, General Electronic Commerce (GEC) Orlando, Florida, USA
- Computer Emergency Response Team, NECTEC Carnegie Mellon, Pittsburgh, Pennsylvania, USA
- National Crisis Management Course, APCSS, Honolulu, Hawaii, USA
- Class 83, Command and General Staff Officer Course (CGSOC), Command and General Staff College, Royal Thai Army
- Joint War Course, Joint War College
- Class 2, Intermediate Certificate course of Young Leadership in Democratic Governance, King Prajadhipok's Institute

Number of Shares in company None (15 January 2024)

% of Shares in company None

Family Relationship with Director and Executive Officer None

Other Position as at 15 January 2024

Positions in Other Listed Companies: 2 Listed Companies

2023 - Present Independent Director, Thaicom Pcl.

2023 - Present Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee, PTT Global Chemical Pcl.

Positions in Non-Listed Companies: 1 Non-Listed Company

2023 - Present Advisor to the Deputy Prime Minister

Experience

2021 - 2023	Special Advisor, Office of The Permanent Secretary for Defence
2019 - 2023	Advisor to the Prime Minister
2014 - 2023	Independent Director, Member of the Risk Management Committee and Member of the Corporate Governance and Sustainability Committee PTT Exploration and Production Pcl.
2018 - 2021	Deputy Chief of Office, Office of Military Affairs Coordination to the Ministry of Foreign Affairs, Office of Policy Planning Ministry of Defence, Ministry of Defence
2018	Staff Officer to the Minister of Defence, Ministry of Defence
2017 - 2018	Commanding Officer, 1 st Development Regiment, Royal Thai Army

12. Mr. Pinsai Suraswadi

Director

Member of the Corporate Governance and Sustainability Committee

Member of the Compliance Committee

Age 52

Appointed:

15 January 2024

Education

- Master of Science in Economics University of Glasgow, UK
- Bachelor of Economics, Chulalongkorn University
- Bachelor of Laws, Ramkhamhaeng University
- Bachelor of Accountancy, Sukhothai Thammathirat Open University

Training Program

- Class 7/2022, Director Refreshment Program (Lesson Learnt from Financial Cases: How Board Should React) (RFP), IOD
- TEN X Transformational Executive Network for Exponential Growth, The Thai Chamber of Commerce, Board of Trade of Thailand and The University of the Thai Chamber of Commerce
- Crypto Asset Revolution, Thai Fintech Association (TFA)
- Class 55, Joint War Course, Joint War College
- Class 84, The Civil Service Executive Development Program: Visionary and Moral Leadership, Office of the Civil Service Commission (OCSC)
- Class 11, Financial Executive Development Program, The Thai Institute of Banking and Finance Association

Number of Shares in company None (15 January 2024)

% of Shares in company None

Family Relationship with Director and Executive Officer None

Other Position as at 15 January 2024

Positions in Other Listed Companies None

Positions in Non-Listed Companies: 2 Non-Listed Companies

2023 - Present Deputy Permanent Secretary of the Ministry of Finance

2022 - Present Director, Tobacco Authority of Thailand

Experience

2022 - Jan. 2024	Director, Thailand Privilege Card Co., Ltd.
2018 - 2023	Principal Advisor on Tax Collection (Banking & Finance Transaction Group), The Revenue Department
2018	Division Director (Academic Tax), The Revenue Department
2016 - 2018	Department Secretary, Office of the Secretary, The Revenue Development

Brief Biography of Top Executive Officers (as at 31 December 2023)

1. Mr. Payong Srivanich

Chief Executive Officer

Age: 55

(Please refer to page 367-368)

2. Mr. Suratun Kongton

Chief Wholesale Banking Officer

Age: 57

Appointed:

October 8, 2018

Education

- Master of Public Administration, University of Southern California
- Bachelor of Political Science Public Administration (Public Finance), Chulalongkorn University

Training Program

- Cyber Security Awareness for senior executives
- Data Governance and the Personal Data Protection Act 2019 (PDPA) 2022
- IFRS9 Quick-Fix and Model Enhancement (2021)
- Workshop: IFRS9 Impairment
- National Defence Course, Class 62, National Defence College
- Introduction to Thai Financial Reporting Standards 9 (IFRS 9) (2020)
- Personal Data Protection Act B.E. 2562: PDPA (Updated) (2020)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)
- Reimagining Your Business for the Digital Age 2019

Number of Shares in company: None

% of Shares in company: None

(not changed since January 1, 2023)

Family Relationship with Director and Executive Officer: None

Other Position as at 31 December 2023

Positions in Other Listed Companies: None

Positions in Non-Listed Companies: None

Experience

- 2018 - Aug. 2023 Senior Executive Vice President Group Head - Corporate Banking Group 2, Krungthai Bank PCL.
- 2019 - May 2023 Director and Chairman of the Risk Management Committee, Dhipaya Group Holdings PCL.
- 2019 - Jun. 2023 Director and Chairman of the Risk Management Committee, Dhipaya Insurance PCL.
- Feb. - Jun. 2018 Head of Corporate Banking Group, Bank of Ayudhya, PCL.

- 2017 - 2018 Director, Krungsri Securities, PCL.
- 2017 - 2018 Director, General Card Services Co., Ltd.
- 2016 - 2017 Head of Corporate and Investment Banking Group, Bank of Ayudhya, PCL.
- 2012 - 2016 Executive Vice President and Head of Corporate Banking Group 2, Bank of Ayudhya, PCL.
- 2010 - 2018 Director, Tumtumpai Co., Ltd.

3. Mr. Ekachai Techawiriyakul

Chief Risk Officer

Age: 62

Appointed:

November 1, 2017

Education

- Master of Business Administration, Thammasat University
- Bachelor of Engineering, Chulalongkorn University

Training Program

- Cyber Security Awareness for senior executives
- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- Transformative Leadership Program: Executive Session (2021)
- Annual Audit Committee Conference Krungthai Group 2021: AACC 2021
- Top Executive Program in Commerce and Trade (TEPCoT), Class 13 (2020)
- Digital Transformation for CEO (2020)
- Introduction to Thai Financial Reporting Standards 9 (IFRS 9) (2020)
- Power of The Kingdom, Class 5/2019, Chulalongkorn University Executive Program
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)
- Identity Determination and Desirable Behavior Management
- Principles for Consideration of Disciplinary Offenses and Examples of Relevant Judgments
- Director Certification Program (DCP) 2018, Institute of Directors (IOD)
- Good Corporate Governance for Top Executives 2017, LEAD Business Institute
- Leaders as Coach (2017)
- Digital Banking & Inspirational Leadership (2016)
- Situational Leadership for Top Leaders (2016)
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and Cornell University

Number of Shares in company: None

% of Shares in company: None

(not changed since January 1, 2023)

Family Relationship with Director and Executive Officer: None

Other Position as at 31 December 2023

Positions in Other Listed Companies: None

Positions in Non-Listed companies: 1 Non-Listed Companies

2019 - Present Chairman of the Board of Directors, Krungthai Mizuho Leasing Co., Ltd.

Experience

2021 - Aug. 2023 Senior Executive Vice President Group Head - Risk Management Group, Krungthai Bank PCL.
 2017 - 2022 Director, Suvamabhum Airport Hotel Co., Ltd.
 2018 - 2021 Senior Executive Vice President Group Head - Corporate Banking Group 1, Krungthai Bank PCL.
 2017 - 2018 First Executive Vice President Group Head - Corporate Banking Group 1, Krungthai Bank PCL.

4. Ms. Saranya Vejaku

Chief Financial, Strategy & Resources Management Officer

Age: 54

Appointed:

July 1, 2019

Education

- MBA Executive Program, Chulalongkorn University
- Bachelor of Economics (Accounting), Kasetsart University

Training Program

- CFO Certification Program 2023, Federation of Accounting Professions
- CFO Conference 2023, Federation of Accounting Professions
- Financial Business and Important Accounting Items - insurance business (life insurance), general insurance business, capital market business, asset management and lending business
- Accounting for derivative instruments, hedge accounting, intangible assets, and Cloud computing
- Sustainable business operations and related accounting
- Overview of Changes in Financial Reporting Standards and Classification of Investment Items
- Cyber Security Awareness for senior executives
- CFO's Agenda Transform Finance to Partner (2022)
- Accounting and Tax Perspectives and Practices on Transactions Related to Digital Asset Business (2022)
- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- Transformative Leadership Program: Executive Session (2021)
- Mergers and Acquisitions: Strategies, Contracts, Merger and Acquisition Negotiations (2021)
- Top Management Program in Government Fiscal Management (GFM) (2020)

- TFRS 9: Financial Instruments - Hedge Accounting (Advanced Workshop) (2020)
- CFO Focus On Financial Reporting (2019)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)

Number of Shares in company: None

% of Shares in company: None

(not changed since January 1, 2023)

Family Relationship with Director and Executive Officer: None

Other Position as at 31 December 2023

Positions in Other Listed Companies: None

Positions in Non-Listed Companies: 2 Non-Listed Companies

2022 - Present Director and Member of the Audit Committee, Krungthai XSpring Securities Co., Ltd.

2020 - Present Director, Executive Director and Member of the Audit Committee, Krungthai Panich Insurance PCL.

Experience

2019 - Aug. 2023 Senior Executive Vice President Group Head - Financial Management Group, Krungthai Bank PCL.
 2021 - Aug. 2023 Director, KTB Advisory Co., Ltd.
 Apr. - Nov. 2022 Director, Krungthai Computer Services Co., Ltd.
 Jul. - Oct. 2019 Financial Management Advisor to the President, Krungthai Bank, PCL.
 2010 - 2019 EVP, Head of Financial Planning & Analysis (FP&A), Siam Commercial Bank PCL.

5. Mr. Tawatchai Cheevanon

Chief Product & Business Solutions Officer

Age: 55

Appointed:

January 2, 2019

Education

- University Master of Business Administration, Seattle University, USA
- Bachelor of Business Administration, Assumption University

Training Program

- Innovation Insights, Stanford University and the Silicon Valley, USA
- Cyber Security Awareness for senior executives
- Transformational Executive Network for Exponential Growth (Ten X) 2022
- National Defence Course, Class 63, National Defence College
- Master Deal Maker Program, University of Pennsylvania, USA
- Director Certification Program (DCP) Thai Institute of Directors (IODs)
- Banking Institutes Program, Sydney, Australia
- IBM Client Executive Program (CEP) Harvard University, USA

Number of Shares in company: None

% of Shares in company: None

(not changed since January 1, 2023)

Family Relationship with Director and Executive Officer: None

Other Position as at 31 December 2023

Positions in Other Listed Companies: 1 Listed Company

2022 - Present Independent Director, PTT Oil and Retail Business PCL.

Positions in Non-Listed Companies: 5 Non-Listed Companies

2023 - Present Director, Infinitas by Krungthai Co., Ltd.

2019 - Present Chairman of the Board of Directors, Krungthai Computer Services Co., Ltd.

2019 - Present Director, BCI (Thailand) Co., Ltd.

2019 - Present Director, InnoSpace (Thailand) Co., Ltd.

2016 - Present Chairman of the Board of Directors, Cycling Cloud Co., Ltd.

Experience

2020 - Aug. 2023 Senior Executive Vice President Group Head, Global Transaction Banking Group, Krungthai Bank PCL.

2019 - 2020 Director, Krungthai IBI Leasing Co., Ltd.

2019 - 2020 First Executive Vice President Group Head, Global Transaction Banking Group, Krungthai Bank PCL.

2017 - 2018 Director and Managing Director, Daingern Dotcom Co., Ltd.

2015 - 2018 Director and Managing Director, ASN Broker Public Co., Ltd.

2015 - 2018 Director and Managing Director, ASN Life Broker Co., Ltd.

6. Mr. Pongsit Chaichutpornasuk

Chief Legal Compliance & Financial Crime Officer

Age: 59

Appointed:

October 1, 2020

Education

- Bachelor of Laws, Ramkhamhaeng University

Training Program

- Innovation Insights, Stanford University and the Silicon Valley, USA
- Cyber Security Awareness for Top Executives
- Transformative Leadership Program: Executive Session 2021
- Annual Audit Committee Conference Krungthai Group 2021: AACC 2021
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2021)

- Financial Crime Prevention Program (Federal Bureau of Investigation: FBI), USA

- LS Course University of Washington USA

- IMD Advanced Strategic Management

- National Security Management for Senior Executives, Class 2

- National Defence Course for the Joint State-Private Sectors, Class 24, The National Defence College

- Ethical Leadership Program (ELP) Batch 11/2018, Thai Institute of Directors Association (IOD)

- Top Executive Program in Energy Literacy, Class 13, Thailand Energy Academy

- Top Executive Program in Justice Administration, Class 24, Judicial Training Institute

Number of Shares in company: None

% of Shares in company: None

(not changed since January 1, 2023)

Family Relationship with Director and Executive Officer: None

Other Position as at 31 December 2023

Positions in Other Listed Companies: None

Positions in Non-Listed Companies: 3 Non-Listed Companies

2022 - Present Chairman, Innopower Co., Ltd.

2021 - Present Chairman, Krungthai Law Co., Ltd.

2021 - Present Director, Krungthai Computer Services Co., Ltd.

Experience

2020 - Aug. 2023 Senior Executive Vice President Group Head, Compliance and Legal Management Group Krungthai Bank PCL.

Apr. - Oct. 2021 Chairman and Chairman of the Nominating and Remuneration Committee, Krungthai Card PCL

May - Aug. 2021 Director, National Telecom PCL

2014 - 2020 Director, TOT PCL

2014 - 2020 Executive Vice President Financial Crime Prevention and Security, Siam Commercial Bank PCL

7. Mr. Chanchai Sinsuparat

Chief Service Fulfillment Officer

Age: 60

Appointed:

December 1, 2019

Education

- MBA, Ramkhamhaeng University

- Bachelor of Arts, Ramkhamhaeng University

Training Program

- Cyber Security Awareness for Top Executives

- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)

- Transformative Leadership Program: Executive Session (2021)

- IFRS9 Quick-Fix and Model Enhancement (2021)
- e-Government Program for Chief Executive Officer, Class 7
- Personal Data Protection Act B.E. 2562: PDPA (Updated) (2020)
- IFRS9 Preparation for Executives (2019)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)
- Declaration of Assets and Liabilities of the State Officials to the National Anti-Corruption Commission (2019)
- Digital Transformation in Banking for Executive (2019)
- Insights into Debt Collection Act (latest version), the Notifications of the Office of the Consumer Protection Board B.E. 2561(2018) and Accurate Practices for Hire Purchase and Leasing Business (2019)
- Executive Brand Solicitation (2016)
- Executive Leadership Development Program (ELDP), Compass Institute, LEAD Business and Cornell University (2015)
- Modern Banking Executive Development Program: MOBEX (2012)

Number of Shares in company: None

% of Shares in company: None

(not changed since January 1, 2023)

Family Relationship with Director and Executive Officer: None

Other Position as at 31 December 2023

Positions in Other Listed Companies: None

Positions in Non-Listed Companies: 3 Non-Listed Companies

2022 - Present Director, Krungthai Law Co., Ltd.

2019 - Present Director, KTB Leasing Co., Ltd.

2019 - Present Director and Member of the Risk Management Committee, KTB General Services and Security Co., Ltd.

Experience

2022 - Aug. 2023 Senior Executive Vice President Group Head -Retail Shared Services Group, Krungthai Bank PCL.

2019 - 2022 First Executive Vice President Group Head - Retail Shared Services Group, Krungthai Bank PCL.

2014 - 2019 Executive Vice President Sector Head - Retail Loan Factory Sector, Retail Shared Services Group, Krungthai Bank PCL.

8. Mr. Panabhand Hankijjakul

Chief Audit Officer

Age: 60

Appointed:

March 2, 2020

Education

- Master of Economics, The University of Kansas, USA
- Bachelor of Economics, University of the Thai Chamber of Commerce

Training Program

- The IIA's International Conference 2023 (IC): Netherlands
- Subsidiary Governance Program (SGP Online), Thai Institute of Directors Association (IOD)
- Third Party Risk Management, Bank of Thailand (BOT)
- Cyber Security Awareness for Top Executives
- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- Annual Audit Committee Conference Krungthai Group 2022 (AACC 2022)
- Enhancement of Audit Committee Roles (2022)
- Transformative Leadership Program: Executive Session (2021)
- Advanced Audit Committee Program: AACCP (2021)
- Director Accreditation Program (DAP)
- Annual Audit Committee Conference Krungthai Group 2021: AACC 2021
- One on One Executive Coaching (2021)
- Introduction to Thai Financial Reporting Standards 9 (TFRS 9) (2020)
- Audit with New Normal (2020)
- Design thinking: Credit Process to Enhance Productivity-Efficiency (2020)
- Process for Dealing with Phishing Email Cyber Threats (2019)
- Personal Data Protection Act B.E. 2562: PDPA (2019)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) Batch 2 (2019)
- Introduction to Personal Data Protection Act B.E. 2562: PDPA (2019)
- Digital Leadership for Executive (2019)
- Identity Determination and Desirable Behavior Management (2019)
- Fostering Best Corporate Governance Practices (2018)
- Workshop Loan Process (2018)
- Sustainable Krungthai for Sustainable Risk Management (2018)
- Cyber Security Awareness (2018)
- Leadership Performance Development (2017)
- Behavioral Economics for Financial Institution Managers (2017)
- Annual Audit Committee AACC (2017)
- Thailand 4.0: Drive Organizations to Success (2017)
- Leaders as Coach (2017)
- Leadership Development Program for Executive (2016)
- Dealing with Fintech (2016)
- Credit Rating Workshop (2016)
- Executive Brand Solicitation, Krungthai Bank PCL. (2016)

Number of Shares in company: None

% of Shares in company: None

(not changed since January 1, 2023)

Family Relationship with Director and Executive Officer: None

Other Position as at 31 December 2023

Positions in Other Listed Companies: None

Positions in Non-Listed Companies: None

Experience

Krungthai Bank PCL.

2022 - Aug. 2023 Senior Executive Vice President Group Head,

Internal Audit Group

2020 - 2022 First Executive Vice President Group Head,

Internal Audit Group

2014 - 2020 Executive Vice President Sector Head, Credit

Risk Management Sector, Risk Management Group

- Innovations Payment - MasterCard Asia/Pacific, VISA International, MSI Global Private Limited, Singapore (2017)
- Innovations Payment, UnionPay International, China (2017)
- Google Next 2017, Google Cloud Platform, APAC, USA (2017)
- Analytics Experience, SAS Software, Italy (2016)
- Asia Banking Analytics Roundtable, McKinsey, Hong Kong (2016)
- Director Certification Program - DCP, Thai Institute of Directors Association (IOD) (2016)
- Customer Segmentation and Micro Segment Analytics 2016 by SAS
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute in collaboration with Cornell University
- Krungthai Digital Banking Workshop 2015
- Advance Management Program INSEAD Business School - European Campus, France (2011)
- Customer Experience Workshop, Malaysia (2010)
- SME Strategy Workshop, GE, Singapore (2007)
- Global Mortgage Conference, GE, USA (2006)
- Advance Manager Course

Number of Shares in company: None

% of Shares in company: None

(not changed since January 1, 2023)

Family Relationship with Director and Executive Officer: None

Other Position as at 31 December 2023

Positions in Other Listed Companies: 1 Listed Company

2019 - Present Director, Krungthai Card PCL

Positions in Non-Listed Companies: 5 Non-Listed Companies

2022 - Present Expert member of the Government Pension Fund (GPF)

2022 - Present Expert member of the Credit Information Protection Committee (CDC)

2021 - Present Chairman, Arise by Infinitas Co., Ltd.

2020 - Present Director and Acting President, Infinitas by Krungthai Co., Ltd.

2017 - Present Director and Member of the Risk Management Committee, Krungthai-AXA Life Insurance PCL

Experience

2021 - Aug. 2023 Director, KTB Advisory Co., Ltd.

2019 - 2020 Director, National Digital ID Co., Ltd.

2014 - 2020 Director, KTB Leasing Co., Ltd. Krungthai Bank PCL.

2016 - 2019 Senior Executive Vice President Group Head - Retail Shared Service Group, Head of Data Innovation

2014 - 2016 First Executive Vice President Group Head - Retail Shared Services Group

2013 - 2014 Advisor to the Chief Executive Officer

Group Head

9. Ms. Praralee Ratanaprasartporn

Head of Digital Solutions Group

Age: 54

Appointed:

May 2, 2013

Education

- MBA (Finance), University of Alabama at Birmingham, USA
- BBA (Accounting) (Auditing), Thammasat University
- Insead Business School (France): Advance Management Program

Training Program

- Innovation Insights, Stanford University and the Silicon Valley, USA (2023)
- Cyber Security Awareness for senior executives
- Corporate Governance Program for Insurance Companies (CIC Batch 3/2022), 2022, Thai Institute of Directors: IOD
- RoLD2020: The Resilient Leader 2021
- IFRS & Portfolio Management e-Tax Blockchain (2020)
- Legal Strategies for Personal Data Management, Chulalongkorn University (2019)
- Innovations Payment, Master Card, England (2018)
- Fintech Strategy and Innovation Payment System, Plug and Master Card, Singapore (2018)
- SAS Global Forum 2018 (Executive Program), SAS Software, USA (2018)
- Blockchain in Government, Trueventus, Singapore (2018)
- Singapore Fintech Festival 2018, Baker McKenzie, Singapore (2018)
- Co-Creation Workshop, VISA International, Singapore (2017)

10. Mr. Weerapong Suppasedsak**Head of Business Center Group**

Age: 57

Appointed:

December 26, 2014

Education

- Master of Economics (Finance), National Institute of Development Administration (NIDA)
 - Bachelor of International Economics, Ramkhamhaeng University
- Training Program**
- Cyber Security Awareness for Top Executives (2022)
 - Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
 - Transformative Leadership Program: Executive Session (2021)
 - IFRS9 Impairment Model (Quick Fix + Enhancement Workshop (2021)
 - Personal Data Protection Act B.E. 2562 (PDPA) (Update) (2020)
 - The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)
 - National Defence Course, National Defence College (2018)
 - Corporate Governance for Capital Market intermediaries (CGI) Class 19/2560, the Thai Institute of Directors Association (IOD) (2017)
 - Director Certificate Program (DCP) Class 237/2017, the Thai Institute of Directors Association (IOD) (2017)
 - Krungthai executive refining program (2016)
 - Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute in collaboration with Cornell University
 - Interest rate Indexed and Derivatives (2015)
 - TLCA Executive Development Program 2014, Thai Listed Companies Association
 - FATCA Regulations for the Board of Directors and Executives of the Bank (2014)
 - Director Accreditation Program (DAP) Class 100/2013, Thai Institute of Directors Association (IOD) (2013)
 - Executive Development Program (EDP2011), the Fiscal Policy Research Institute Foundation (FRI Foundation), Ministry of Finance (2011)

Number of Shares in company: None

% of Shares in company: None

(not changed since January 1, 2023)

Family Relationship with Director and Executive Officer: None

Other Position as at 31 December 2023

Positions in Other Listed Companies: None

Positions in Non-Listed Companies: 3 Non-Listed Companies

- Apr. 2023 - Present Director and Risk Management Committee Member, Krungthai Mizuho Leasing Co., Ltd.
- 2021 - Present Vice Chairman and Chairman of the Board of Executive Directors, Krungthai Panich Insurance PCL
- 2019 - Present Director and Executive Director, Krungthai XSpring Securities Co., Ltd.

Experience

- 2012 - 2019 Director, Bangkok Expressway and Metro PCL
- 2016 - 2019 Director, Krungthai Panich Insurance PCL
- 2014 - 2016 Director/ Chairman of the Audit Committee, Suvarnabhumi Airport Hotel Co., Ltd.
- 2011 - 2014 Director, Krungthai-AXA Life Insurance PCL.
- 2016 - 2018 Senior Executive Vice President Group Head - Corporate Banking Group 2, Krungthai Bank PCL

11. Mr. Rawin Boonyanusasna**Head of Global Markets Group**

Age: 49

Appointed:

November 23, 2016

Education

- MSC. in Financial Engineering and Quantitative, University of Reading, United Kingdom
- MA. in International Economics and Finance, Chulalongkorn University
- BA. in Economics, Thammasat University

Training Program

- Innovation Insights, Stanford University and the Silicon Valley, USA (2023)
- Cyber Security Awareness for Top Executives (2022)
- Director Accreditation Program (DAP) 2020, IOD
- Blockchain & Bitcoin for Management, Class 1/2018, The Thai Institute of Banking and Finance Association (TIBFA)
- Bank of Thailand's Treasury Dealer Course (2017)
- Bond Trader's Refresher Course (2017)
- Inspirational Leadership (2017)
- Media Training for Spokespersons (2017)
- Customer Segmentation and Micro Segment Analytics by SAS (2016)
- Krungthai executive refining program (2016)

Number of Shares in company: None

% of Shares in company: None

(not changed since January 1, 2023)

Family Relationship with Director and Executive Officer: None

Other Position as at 31 December 2023

Positions in Other Listed Companies: None

Positions in Non-Listed Companies: 4 Non-Listed Companies

2019 - Present Market Practice Committee/ Subcommittee,
The Thai Bond Market Association (ThaiBMA)

2021 - Present Director, CMDP Digital Infrastructure Co., Ltd.

2018 - Present Director/Executive Director and Director of
Nomination and Remuneration Committee,
Krungthai XSpring Securities Co., Ltd.

2017 - Present Director/Chairman of Investment Committee,
Krungthai-AXA Life Insurance, PCL

Experience

2021 - 2023 Director, Infinitas by Krungthai Co., Ltd.

2016 - 2018 First Executive Vice President Group Head
- Global Markets Group, Krungthai Bank
PCL

- Annual Conference and Exposition (2018), Society for Human Resource Management (SHRM), USA
- 6TH Compensation & Benefits Summit 2018, Equip Global, Singapore
- TMA Trend Talk #8 Renovate to Innovate: Moving Forward with Agility in the Digital Era, Thailand Management Association (TMA) 2018
- Good Corporate Governance for Top Executives 2017, LEAD Business Institute
- How Digital Technology Transforms the Financial Service and Experiences (2016)
- Situational Leadership (2015)
- Strategy and Innovation for Businesses in Asia (SIBA): CMMU Session (2014)
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute in collaboration with Cornell University
- Professional Coach Certification Program (2015)
- The GRID for Supervisory Excellence - Experience The Power to Change 2015, Grid Organization Development LLC
- Workshop: The Leadership Talent Sustainability Across Borders 2013, Personnel Management Association of Thailand - PMAT

Number of Shares in company: None

% of Shares in company: None

(not changed since January 1, 2023)

Family Relationship with Director and Executive Officer: None

Other Position as at 31 December 2023

Positions in Other Listed Companies: None

Positions in Non-Listed Companies: None

Experience

2016 - 2020 First Executive Vice President Group Head
- Human Resources and Corporate Governance
Group, Krungthai Bank PCL

12. Mr. Suppawat Wadhanapatee

Head of Human Resources and Corporate Governance Group

Age: 53

Appointed:

October 1, 2016

Education

- Doctor of Business Administration, Dhurakij Pundit University
- Master of Business Administration/finance, Rensselaer Polytechnic Institute, USA
- Master of Laws, Chulalongkorn University
- Bachelor of Laws, Chulalongkorn University

Training Program

- Cyber Security Awareness for Top Executives (2022)
- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- Director Certification Program (DCP) (2021)
- Thailand HR Forum 2020 (Virtual Conference) (2020)
- Strategic Management in Corruption Prevention and Suppression Program for Chief Executive Officers
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)
- Thailand Competitiveness Conference 2019
- Digital HR Forum 2019
- Enhancing Corporate Governance of State-Owned Enterprise Management
- Identity Determination and Desirable Behavior Management

13. Mr. Kittipat Peantham

Head of Enterprise Relations Group

Age: 57

Appointed:

October 9, 2018

Education

- Master of Laws, Economic Law, Chulalongkorn University
- Master of Business Administration (Financing), National Institute of Development Administration
- Bachelor of Accountancy (Auditing), University of The Thai Chamber of Commerce

Training Program

- Innovation Insights, Stanford University and the Silicon Valley, USA (2023)
- Cyber Security Awareness for Top Executives (2022)
- National Defence Course, National Defence College (2018)
- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- Transformative Leadership Program: Executive Session (2021)
- Digital Transformation for CEO (2020)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)
- GTB & Government Integrated Strategy to Digital Platform
- Leadership Succession Program (LSP), Institute of Research and Development for Public Enterprises (IRDPE) (2018)
- One on One Executive Coaching (2017)
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute in collaboration with Cornell University
- FATCA for Director and Executive Officers

Number of Shares in company: None

% of Shares in company: None

(not changed since January 1, 2023)

Family Relationship with Director and Executive Officer: None

Other Position as at 31 December 2023

Positions in Other Listed Companies: None

Positions in Non-Listed Companies: 1 Non-Listed Companies

Apr 2023 - Present Director, Suvamabhumi Airport Hotel Co., Ltd.

Experience

	Krungthai Bank PCL.
2018 - 2022	First Executive Vice President Group Head - Government & State Enterprise Relations Group
2017 - 2018	Executive Vice President Sector Head - Asset Disposition Sector, Credit Restructuring & Asset Management Group
2016 - 2017	Executive Vice President Sector Head - Corporate Banking Sector 3, Corporate Banking Group 1

14. Mr. Chalerm Pradidarecheep**Head of Retail Banking Sales & Distribution Group**

Age: 60

Appointed:

October 1, 2020 (retired from January 1, 2024)

Education

- Master of Public and Private Management, National Institute of Development Administration
- Bachelor of Science, Kasetsart University

Training Program

- Cyber Security Awareness for Top Executives (2022)
- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- Quality Assurance (QA) Fraud Prevention Day Program 2022
- Foreign Account Tax Compliance Act (FATCA) for Individual Customers 2021
- Transformative Leadership Program: Executive Session (2021)
- Digital CEO (2020)
- Thailand HR Forum 2020 (Virtual Conference) (2020)
- Service requirement for operation (2020)
- Digital Enablement Program (2020)
- Ransomware 2020
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) Batch 2 (2020)
- Innovation Workshop 2020
- Introduction to Thai Financial Reporting Standards 9 (IFRS 9) (2020)
- Personal Data Protection Act B.E. 2562: PDPA (Updated) (2020)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) Batch 2 (2019)
- Identity Determination and Desirable Behavior Management 2019
- Process for Dealing with Phishing Email Cyber Threats 2019
- Introduction to Personal Data Protection Act B.E. 2562: PDPA (2019)
- Cyber Security Awareness
- Leadership Performance Development (2017)

Number of Shares in company: 12,600 Shares

% of Shares in company: 0.00009%

(not changed since January 1, 2023)

Family Relationship with Director and Executive Officer: None

Other Position as at 31 December 2023

Positions in Other Listed Companies: None

Positions in Non-Listed Companies: 2 Non-Listed Companies

2022 - Present Director and Executive Director, Krungthai XSpring Securities Co., Ltd.

2021 - Present Director and Member of the Corporate Governance Committee, Krungthai Panich Insurance PCL

Experience

	Krungthai Bank PCL.
2020 - 2022	First Executive Vice President Group Head Retail Banking Sales and Distribution Group
2018 - 2020	Executive Vice President Sector Head - Metropolitan Network Sector 2, Retail Banking Sales and Distribution Group

2017 – 2018	Senior Vice President Sector Head – Metropolitan Network Sector 2, Retail Banking Sales and Distribution Group
2015 – 2017	Senior Vice President Regional Office Manager – Suan Mali Regional Office, Metropolitan Network Sector 1, Retail Banking Sales and Distribution Group

15. Ms. Suwanna Anantanond

Head of Credit Restructuring and Asset Management Group

Age: 50

Appointed:

October 1, 2020

Education

- Master of Business Administration, Thammasat University
- Bachelor of Business Administration, Chulalongkorn University

Training Program

- Cyber Security Awareness for Top Executives (2022)
- Third Party Risk Management, Bank of Thailand (BOT) (2022)
- Transformative Leadership Program: Executive Session (2021)
- IFRS9 Impairment Model (Quick Fix + Enhancement) Workshop (2021)
- IFRS9 Quick-Fix and Model Enhancement (2021)
- Digital Transformation in Banking & CBC2 2020 Strategic Plan (2020)
- Credit Restructuring and Debtors Management Techniques (2020)
- Corporate Restructure 2020
- Personal Data Protection Act B.E. 2562: PDPA (Updated) (2020)
- Process for Dealing with Phishing Email Cyber Threats 2019
- IFRS9 Preparation for Executives (2019)
- Reimaging Your Business for the Digital Age (2019)
- Introduction to Personal Data Protection Act (PDPA) B.E. 2562 (2019)
- Identity Determination and Desirable Behavior Management 2019
- Personal Data Protection Act B.E. 2562 (PDPA) (2019)
- Fostering Best Corporate Governance Practices (2018)
- 2002 ISDA Master Agreement (2018)
- Storytelling for Leaders (2018)
- Leading at the Speed of Trust (2018)
- The 7 Habits of Highly Effective People (2017)
- Leadership Performance Development (2017)
- Leaders as Coach (2017)
- Accounting Standards and Financial Reporting Standards (2016)
- Supply Chain Workshop (2016)
- Digital Banking & Inspirational Leadership (2016)

Number of Shares in company: None

% of Shares in company: None

(not changed since January 1, 2023)

Family Relationship with Director and Executive Officer: None

Other Position as at 31 December 2023

Positions in Other Listed Companies: None

Positions in Non-Listed Companies: 1 Non-Listed Companies

2021 – Present Director and Member of Investment Committee,
Krungthai Panich Insurance PCL

Experience

2015 – 2020 Executive Vice President Sector Head
– Corporate Banking Sector 6, Corporate
Banking Group 2, Krungthai Bank PCL

16. Mr. Krit Chamapisit

Head of Communication and Branding Group

Age: 53

Appointed:

October 1, 2020

Education

- Master of Marketing, Thammasat University
- Bachelor of Accounting, Chulalongkorn University

Training Program

- Cyber Security Awareness for Top Executives (2022)
- General Management DUKE University, USA
- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- RoLD 2022: Beyond Leadership
- Transformative Leadership Program: Executive Session (2021)
- Innovation Workshop (2020)
- Personal Data Protection Act B.E. 2562: PDPA (Updated) (2020)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2020)
- Ransomware (2020)
- Cyber Security Awareness (2019)
- Process for Dealing with Phishing Email Cyber Threats 2019
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)
- Identity Determination and Desirable Behavior Management 2019

Number of Shares in company: None

% of Shares in company: None

(not changed since January 1, 2023)

Family Relationship with Director and Executive Officer: None

Other Position as at 31 December 2023

Positions in Other Listed Companies: None

Positions in Non-Listed Companies: None

Experience

	Krungthai Bank PCL.
2018 – 2020	Executive Vice President Sector Head, Communication and Branding Sector, Communication and Branding Group,
Jul. 2018 – Nov. 2018	Advisor to the Chief Executive Officer
2011 – 2018	Senior Director – Head of Corporate Marketing & Channel Management, Siam Commercial Bank PCL

17. Mr. Thanakorn Karnjananut**Head of Global Business Development and Strategy Group**

Age: 50

Appointed:

September 14, 2022

Education

- Master of International Management, Thunderbird, The American Graduate School of International Management
- Bachelor of Business Administration, Assumption University

Training Program

- Innovation Insights, Stanford University and the Silicon Valley, USA (2023)
- Cyber Security Awareness for Top Executives (2022)
- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2021)
- Transformative Leadership Program: Executive Session (2021)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2020)
- Innovation Workshop (2020)
- Personal Data Protection Act B.E. 2562: PDPA (Updated) (2020)
- Introduction to Thai Financial Reporting Standards 9 (IFRS 9) (2020)
- Ransomware (2020)
- Process for Dealing with Phishing Email Cyber Threats 2019
- Identity Determination and Desirable Behavior Management 2019
- Cyber Security Awareness (2018)
- Fostering Best Corporate Governance Practices (2018)
- Leadership Performance Development (2017)
- Executive Leadership Development Program (ELDP) (2015)
- Strategy and Innovation for Businesses in Asia (SIBA) (2014)

Number of Shares in company: None

% of Shares in company: None

(not changed since January 1, 2023)

Family Relationship with Director and Executive Officer: None

Other Position as at 31 December 2023

Positions in Other Listed Companies: None

Positions in Non-Listed Companies: 4 Non-Listed Companies

2023 – Present	Director, Krungthai Panich Insurance PCL.
2022 – Present	Member of the Investment Committee, Private Equity Trust for SME Growing Together 1 (PESME 1)
2022 – Present	Member of the Investment Committee, Private Equity Trust for SME Growing Together 2 (PESME 2)
2021 – Present	Director, Arise by Infinitas Co., Ltd.

Experience

	Krungthai Bank PCL.
2020 – 2022	Executive Vice President Sector Head – Human Resources Sector, Human Resources & Corporate Governance Group
May 2020 – Oct. 2020	Executive Vice President, Corporate Strategy Team, Global Business Development and Strategy Group
2017 – 2020	Executive Vice President, Project Management Team, Global Business Development and Strategy Group Development and Strategy

18. Ms. Nareerut Ariyaprayoon**Head of Retail Banking Product & Strategy Group**

Age: 49

Appointed:

November 1, 2023

Education

- Master of Business Administration (M.B.A), Assumption University (ABAC)
- Bachelor of Engineering (Industrial Engineering), Chulalongkorn University

Training Program

- Leading at the Speed of Trust (2023)
- Multipliers: How the Best Leaders Ignite Everyone's Intelligence (2023)
- The Strategic Planning with Foresight (2023)
- Leading in a Disruptive World 5 Program (2023)
- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- IFRS 9 Impairment Model Validation (Staging & ECL) (2022)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2022)
- Third Party Risk Management, Bank of Thailand (BOT) (2022)

Number of Shares in company: None

% of Shares in company: None

(not changed since November 1, 2023)

Family Relationship with Director and Executive Officer: None
Other Position as at 31 December 2023

Positions in Other Listed Companies: None

Positions in Non-Listed Companies: 2 Non-Listed Companies

2023 - Present Director, KTC Nano Co., Ltd.

2023 - Present Director, KTC Pico (Bangkok) Co., Ltd.

Experience

2022 - Oct. 2023 Executive Vice President, Credit Product Team, Retail Banking Product & Strategy Group, Krungthai Bank PCL.

Mar. 2023 - Nov. 2023 Director and Chairman of the Risk Management Committee, Dhipaya Insurance PLC.

Apr. 2023 - Nov. 2023 Director, Dhipaya Group Holdings PCL.

May 2023 - Aug. 2023 Director, Krungthai Asset Management PLC.

2017 - 2022 Executive Director, Head of Wealth Products, United Overseas Bank PLC.

19. Mr. Suripong Tantiyanon

Advisor to the Chief Executive Officer

Age: 50

Appointed:

January 2, 2024

Education

- Master of Business Administration, Western Illinois University, Macomb, Illinois, USA
- Bachelor of Arts (Political Science), Chulalongkorn University, Bangkok

Training Program

- Advanced Leadership Program (Leading Visa Forward program), INSEAD (2019)
- Senior Executive Program, Wharton, University Pennsylvania (2012)
- Advanced Management Program, Hass School of Business, University of California, Berkeley & Nanyang Technology University (2011 - 2012)

Number of Shares in company: None (January 2, 2024)

% of Shares in company: None

Family Relationship with Director and Executive Officer: None
Other Position as at January 2, 2024

Positions in Other Listed Companies: None

Positions in Non-Listed Companies: 2 Non-Listed Companies

2016 - Present Executive Director, Royal Beauty (Thailand) Co., Ltd.

2014 - Present Executive Director, Life Philosophy Co., Ltd.

Experience

2022 - 2023 Advisor, Bank of Thailand

2015 - 2022 Country Manager, Visa International (Thailand) Co., Ltd.

2008 - 2014 Executive Vice President, Siam Commercial Bank PCL.

20. Mr. Phichitsak Siripanjana

Head of Retail Shared Services Group

Age: 59

Appointed:

February 1, 2024

Education

- Master of Business Administration, Ramkhamhaeng University
- Bachelor of Business Administration (General Management), Sukhothai Thammathirat Open University

Training Program

- Policy guidelines for managing corruption threats from financial transactions of the Bank of Thailand (2023)
- Review of laws and regulations on the Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2023)
- Third Party Risk Management, Bank of Thailand (BOT) (2022)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2022)
- IFRS9 Impairment Model Validation (Staging & ECL) (2022)
- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- Cyber Security Awareness for Top Executives (2021)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2021)
- Advanced Master of Management Program (AMM) (2021)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2020)
- Digital Transformation in Banking for Executive (2019)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)

Number of Shares in company: None (February 1, 2024)

% of Shares in company: None

Family Relationship with Director and Executive Officer: None
Other Position as at February 1, 2024

Positions in Other Listed Companies: None

Positions in Non-Listed Companies: None

Experience

Krungthai Bank PCL.

Feb. 2023 - Jan. 2024 Executive Vice President Sector Head
- Loan Collection Sector, Retail Shared Services Group

2020 – Jan. 2023 Executive Vice President Sector Head
– Asset Disposition Sector, Credit Restructuring & Asset Management Group

Aug. 2020 – Sep. 2020 Executive Vice President Sector Head
– Loan Collection Sector, Retail Shared Services Group

2019 – 2020 Senior Vice President Sector Head
– Loan Collection Sector, Retail Shared Services Group

- Cyber Security Awareness for Top Executives (2021)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2020)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2018)

Number of Shares in company: None (February 1, 2024)

% of Shares in company: None

Family Relationship with Director and Executive Officer: None

Other Position as at February 1, 2024

Positions in Other Listed Companies: None

Positions in Non-Listed Companies: None

Experience

Krungthai Bank PCL.

Feb. 2023 – Jan. 2024 Executive Vice President Sector Head – Metropolitan Network Sector, Retail Banking Sales & Distribution Group

2021 – Jan. 2023 Executive Vice President – Retail Initiative Team, Retail Banking Sales & Distribution Group

2020 – 2021 Senior Vice President Sector Head – Retail Initiative Team, Retail Banking Sales & Distribution Group

2019 – 2020 Senior Vice President Team Leader – Retail Initiative Team, Retail Banking Sales & Distribution Group

2017 – 2019 Senior Vice President Regional Office Manager, Bang Bon Regional Office, Metropolitan Network Sector 1, Retail Banking Sales & Distribution Group

21. Ms. Prakaidao Damrongpan

Head of Retail Banking Sales & Distribution Group

Age: 49

Appointed:

February 1, 2024

Education

- Master's Degree in Business Economics, Kasetsart University
- Bachelor's degree in Business Computers, Prince of Songkla University

Training Program

- Review of laws and regulations on the Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2023)
- Compliance with the Foreign Account Tax Compliance Act (FATCA) for Individual Customers (2023)
- Digital CEO (2022)
- Compliance with the Foreign Account Tax Compliance Act (FATCA) for Individual Customers (2022)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2022)
- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)

In the past 5 years, directors, senior executives, and persons with control authority under the Securities and Exchange Act B.E. 2535 (1992) or the Derivatives Act B.E. 2546 (2003) have not had a history of being punished specifically for the following offenses:

(1) Dishonesty or gross negligence.

(2) Disclosure or dissemination of information or false statements that may cause misunderstandings or conceal the true message that should be communicated in essence, which may affect the decisions of shareholders, investors, or related parties.

(3) Unfair actions or taking advantage of investors in trading securities or futures contracts, or has been involved in or supported such actions.

Attachment 2 Information of Directorship of the Bank's Directors and Executives in Subsidiaries, Associated and Related Companies

Information of Directorship of the Bank's Directors and Executives in Subsidiaries, Associated and Related Companies as of December 31, 2023

Name		Krungthai	Subsidiaries ⁽¹⁾											Associated Companies ⁽¹⁾						Related Companies																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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Symbols

XX = Chairman

/ = Executive Director

X = Director

M = Top Executives

A Mr. Krairit Euchukanonchai holds the following positions in Krungthai:

- Vice Chairman
- Chairman of the Board of Executive Directors

B Mr. Payong Srivanich holds the following positions in Krungthai:

- Chief Executive Officer
- Executive Director
- Director

Remarks:

- "Subsidiaries" and "associated companies" are in accordance with the definitions in the SEC Notification Re: Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Debt Securities.
- Other companies include companies in which the Bank holds shares of 10 percent or more (excluding subsidiaries and associated companies as per item 1) and companies in which the Bank holds shares due to debt restructuring, which are outside the Bank's financial business group.

Name	Krungthai	Related Companies																															
		Companies with Joint Directors																												Companies with Joint Top Executives			
		8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	1	2	3	4						

Directors

Mr. Lavaron Sangsnit	XX																											
Mr. Krairit Euchukanonchai	A																											
Mr. Vichai Assarasakorn	X	X	X	X	X	X																						
Mr. Thanwa Laohasiriwong	X						X	X	XX	X																		
Prof. Dr. Kittipong Kittayarak	X										X	X	X	X														
Mr. Teerapong Wongsirawilas	X													XX														
Mr. Virasak Sutanthavibul	/															X	X	X	X	X								
Ms. Jiraphon Kawwat	X																											
Mr. Attapol Attaworadej	X																				X	X						
Mr. Payong Srivanich	B																						XX					

Top Executives

Mr. Suratun Kongton	M																											
Mr. Ekachai Techawiriyakul	M																											
Ms. Saranya Vejaku	M																											
Mr. Tawatchai Cheevanon	M																							X	XX	X		
Mr. Pongsit Chaichutpomsuk	M																										XX	
Mr. Chanchai Sinsuparat	M																											
Mr. Panabhand Hankijjakul	M																											

Group Head or Equivalents

Ms. Paralee Ratanaprasartporn	M																											
Mr. Weerapong Suppasedsak	M																											
Mr. Rawin Boonyanusasna	M																											
Mr. Suppawat Wadhanapatee	M																											
Mr. Kittipat Peantham	M																											
Mr. Chalerm Pradidarecheep	M																											
Ms. Suwanna Anantanond	M																											
Mr. Krit Chamapisit	M																											
Mr. Thanakorn Karnjananut	M																											
Ms. Nareerut Ariyaprayoon	M																											

Subsidiaries⁽¹⁾

1. Krungthai Law Co., Ltd.
2. KTB General Services and Security Co., Ltd.
3. Krungthai Asset Management PCL.
4. Krungthai Computer Services Co., Ltd.
5. KTB Advisory Co., Ltd.
6. Krungthai Card PCL.
7. Infinitas by Krungthai Co., Ltd.
8. Arise by Infinitas Co., Ltd.
9. KTB Leasing Co., Ltd.
10. KTC Nano Co., Ltd.
11. KTC Pico (Bangkok) Co., Ltd.

Associated Companies⁽¹⁾

1. Krungthai-AXA Life Insurance PCL.
2. Krungthai XSpring Securities Co., Ltd.
3. Krungthai Mizuho Leasing Co., Ltd.
4. Krungthai Panich Insurance PCL.
5. BCI (Thailand) Co., Ltd.
6. National ITMX Co., Ltd.

Related Companies

Other Companies⁽²⁾

1. Suvarnabhumi Airport Hotel Co., Ltd.

Companies with Joint Top Executives

1. PTT Oil and Retail Business PCL.
2. Cycling Cloud Co., Ltd.
3. InnoSpace (Thailand) Co., Ltd.
4. Innopower Co., Ltd.

Companies with Joint Directors

1. PTT PCL.
2. PTT Exploration and Production PCL.
3. Advanced Info Service PCL.
4. Advanced Wireless Network Co., Ltd.
5. V. Group Honda Cars Co., Ltd. and its subsidiaries
6. Asian Alliance International Co., Ltd.
7. Shiang Heng International Co., Ltd.
8. Panel Plus Co., Ltd.
9. Panel Plus MDF Co., Ltd.
10. TG Cellular World Co., Ltd.
11. Kabinburi Industrial Zone Co., Ltd.
12. KIZ Management Co., Ltd.
13. PTT Global Chemical PCL.
14. TPBI PCL.

15. LTMH PCL.
16. Relationship Republic Co., Ltd.
17. Dusit Thani PCL.
18. Charoen Pokphand Foods PCL.
19. True Corporation PCL.
20. CP ALL PCL.
21. MCOT PCL.
22. Super Energy Corporation PCL.
23. Nirvana Development PLC.
24. Thai Plaspac PCL.
25. T. Krungthai Industries PCL.
26. Food Moment PCL.
27. Erawan Hotel PCL.
28. Sukhumvit Asset Management Co., Ltd.
29. National Digital ID Co., Ltd.

Attachment 3 Details of Head of Internal Audit, Head of Compliance, Chief Financial Officer and Chief Accountant

Head of Internal Audit

Mr. Panabhand Hankijjakul
Chief Audit Officer

Responsibilities of Internal Audit

Internal audit provides the management and the Audit Committee with confidence and counsel, which constructs for value addition and improvement to the Bank's operation to achieve its goal by means of assessing the adequacy and effectiveness of risk management process, internal control and corporate governance.

(The biography, namely education, training, other current positions and work experiences in the past 5 years is shown in Attachment 1.)

Head of Compliance

Ms. Dujhathai Somboonitaya
Executive Vice President Sector Head
Compliance and Procedures Sector

Position Taking Date

September 10, 2021 - Present

Education

Bachelor of Laws, Faculty of Law, Thammasat University

Training

- Global Contract Management Course, George Washington University
- Head of Compliance Program Course, The Thai Bankers Association, Association of Thai Securities Companies

Work Experience in the Past 5 Years

- Year 2008-2009 Senior Vice President Department Head, Legal Affairs Department, Krungthai Bank PCL
- Year 2009-2020 Senior Vice President, Executive, Corporate Banking Compliance Group, Siam Commercial Bank PCL.

Current Position

Executive Vice President Sector Head, Compliance and Procedures Sector, Krungthai Bank PCL.

Responsibilities of Regulatory Compliance

Responsibilities of Regulatory Compliance are to oversee the regulatory compliance and ensure that the Bank and its business units operate the business in accordance with relevant laws and regulations prescribed by the regulators, namely the Bank of Thailand, the Securities and Exchange Commission, the Stock Exchange of Thailand and the official authorities as well as providing advice on regulatory compliance practices. The responsibility has been assigned as the coordinated agent to facilitate cooperation between the regulators and the official authorities and the internal business units of the Bank. In addition, the responsibility has to communicate to the internal units of the Bank about the new and amendment of law and regulations.

Corporate Secretary

Mr. Pongsit Chaichutpornasuk

Chief Legal Compliance & Financial Crime Officer

Responsibilities of Corporate Secretary

- 1) Oversee activities of the Board of Directors to be in compliance with the relevant applicable laws, rules and regulations;
- 2) Organize the general meeting of the shareholders and the Board of Directors meeting to be in compliance with the relevant laws and the Bank's regulation, as well as monitoring those actions to be accurately executed and comply according to the meeting resolution on a regular basis.
- 3) Prepare and retain the following documents:
 - Director registration
 - Invitation letter of the Board of Directors meeting, minutes of such meeting and the annual report of the company
 - Invitation letter of shareholders general meeting and minutes of such meeting
- 4) Retain the reports on conflict of interest, which are reported by directors and executives
- 5) Monitor the actions taken in accordance with the resolutions of the Board of Directors meeting and shareholders general meeting
- 6) Provide appropriate recommendations to directors concerning legal matter, rules and regulations of the Bank
- 7) Oversee the corporate governance matters
- 8) Be a consultant and coordinate with the secretaries of the respective Committees
- 9) Contact and communicate with shareholders to inform about various rights of shareholders and update news of the Bank
- 10) Perform any other actions as specified in the Notification of the Capital Market Supervisory Board

(The biography, namely education, training, other current positions and work experiences in the past 5 years is shown in Attachment 1)

Chief Financial Officer

Ms. Saranya Vejikul

Chief Financial, Strategy & Resources Management Officer

Acting Financial Management Group Head

Responsibilities of Accounting and Finance

Responsibilities of Accounting and Finance are to plan investment management strategies and liquidity operation to be at an appropriate level. It includes the supervision regarding the business operations of companies in the financial business group, and overseeing the overall financial plan of the Bank to be in accordance with its strategy. Inclusively, this includes overseeing the management of the Bank's information system for effective internal management and reporting to external regulators.

(The biography, namely education, training, other current positions and work experiences in the past 5 years is shown in Attachment 1.)

Chief Accountant

Mr. Kanok Suwanaratana

Senior Vice President Department Head

Accounting Department, Controller Sector, Financial Management Group,

Financial, Strategy & Resources Management

Position Taking Date

May 15, 2019

Education

- Master Degree: Economics, Thammasat University
- Bachelor Degree: Accounting, Chulalongkorn University
- Certified Public Accountant (CPA) (Thailand)

Training

- The Strategic Planning with Foresight (2023)
- Krungthai Business Seminar 2023
- Financial fraud management 2023
- Scammer application trick 2023
- Business finance and Key accounting talk 2023
- CRS laws and FATCA/CRS Self-Certification 2023
- Fundamental of TFRS 9 and impact to financial institution 2023
- Overview of Digital Assets and Related Businesses (2022)
- Perspectives and Practices of Accounting and Transactions Related to Digital Asset Business Tax (2022)
- Data Governance and Personal Data Protection Act B.E. 2562 (2022)
- Case Studies on Personal Data Breaches (2022)
- Business Strategic Plan (2022)
- Digital Assets - History, the End, and the Importance of Private Key and Related Accounting (2022)
- Overview of Changes in Financial Reporting Standards and Classification of Investment Items (2022)
- Accounting for Derivatives and Hedge Accounting (Basic Course) (2022)
- Business Operation and Related Accounting (2022)
- Intangible Assets and Cloud Computing (2022)
- Third Party Risk Management by the Bank of Thailand (BOT) (2022)
- Overview of Changes in Financial Reporting Standards and Classification of Investment Items (2021)
- Loans to customers and accrued interest receivables (2021)
- Business tax and Deferred tax asset/liability (2021)
- Accrual receivable in accounting (2021)
- TFRS 9: Financial Instruments - Hedge Accounting (Intermediate Workshop) (2020)
- TFRS 9: Financial Instruments - Hedge Accounting (Advanced Workshop) (2020)
- Accounting for Derivatives and Hedge Accounting (Basic Course) 2020
- Thai Financial Reporting Standards (TFRSs) and Related Tax Laws (2020)
- In-depth Analysis of Financial and Banking Business through Financial Statements (Intermediate Course) (2020)
- Transfer Pricing and Documentation (2020)
- Business Strategic Plan (2020)
- Account Reconciliation Techniques for Validation (2020)
- Introduction to Financial Reporting Standards (TFRS 9) (2020)
- Personal Data Protection Act, B.E. 2562 (Updated) (2020)
- IFRS9 Preparation for Executive (2019)
- Creating Understanding for 2019 Draft TFRS 16 Lease (2019)
- Annual Report (56-2) according to 2019 Integrated Reporting Principle
- Digital Transformation in Banking for Financial Management Group (2019)
- Cost Management to Increase Value and Sustainability (2019)

Work Experience (5 year experience)

	Krungthai Bank PCL.
January 2022 - Present	Senior Vice President Department Head Accounting Department, Financial Management Group
May 2019 - December 2021	First Vice President Department Head, Accounting Department, Financial Management Group
March 2018 - April 2019	First Vice President, Financial Management Group

Attachment 4 Business Assets and Details on Asset Revaluation

-None-

Attachment 5 Policy and Practice Guidelines on Corporate Governance

Corporate Governance Policy and Guidelines

The Bank has a policy to conduct business in accordance with good corporate governance principles by taking into account transparency, integrity, fairness and responsibility to all groups of stakeholders. The Bank adheres to ethics and morality according to good governance principles in order to be an efficient organization with excellence and foundation for sustainable and stable business operations. A written corporate governance policy has been set forth, including revising and updating. The policy was stipulated and published for the first time in 2002 and has been revised to elevate the Bank's corporate governance standards continuously by adhering to corporate governance principles that are internationally and domestically accepted. The principles are such as Corporate Governance of Organisation for Economic and Co-operation Development (OECD), the Principles of Good Corporate Governance for Listed Companies, Corporate Governance Code (CG) of the Securities and Exchange Commission and the Thai Institute of Directors, etc. These aforementioned CG-related principles cover policies and practices related to the Board of Directors, shareholders and other stakeholders. The Board of Directors, executives and employees at all levels throughout the organization have acknowledged and adhered to the corporate governance policy as the main principle in performing their duties. Consequently, the Bank aims to be an organization with a good corporate governance culture, where it will build confidence among all shareholders and stakeholders. This will benefit the Bank to have sustainable growth. In this regard, the Bank has published its corporate governance policy in both Thai and English versions that can be downloaded from the Bank's website.

Corporate Governance (full version) is posted on the Bank's website, www.krungthai.com, on the menu About Us -> Corporate Governance -> Corporate Governance Policies

Code of Conduct

Krungthai Bank has established important regulations and guidelines that are consistent with employees code of conduct. Employees of the Bank and companies in the Bank's financial conglomerates are informed of work operation details and code of conduct in order to be in line with the nature of business and regulatory requirements.

In 2023, the Bank reviewed the Code of Conduct to ensure that it is up-to-date and consistent with the organizational structure. Moreover, the Bank created online educational media about employees' code of conduct throughout the year for all executives and employees. In this regard, the Bank aims to enhance the understanding among executives and employees in performing their duties with responsibilities, accuracy, and appropriateness in an attempt to promote sustainable business operations.

Code of Conduct (full version) is posted on the Bank's website, www.krungthai.com, on the menu About Us -> Corporate Governance -> Code of Conduct

Charter of the Board of Directors and Charters of Each Committee

Charter of the Board of Directors and charters of each committee is revealed on the Bank's website, www.krungthai.com, on the menu About Us -> Corporate Governance -> Charter of Board, which consists of

- Charter of the Board of Directors
- Charter of the Board of Executive Directors
- Charter of Audit Committee
- Charter of Corporate Governance and Sustainability Committee
- Charter of Nomination and Remuneration Committee
- Charter of Risk Oversight Committee
- Charter of Compliance Committee
- Charter of Independent Directors Committee

Attachment 6 Report of the Audit Committee

Report of the Audit Committee

The Audit Committee of Krungthai Bank PCL consists of three (3) qualified Independent Directors namely:

1. Mr. Vichai	Assarasakorn	Chairman of the Audit Committee
2. Ms. Jiraphon	Kawswat	Member of the Audit Committee
3. Mr. Thanwa	Laohasiriwong	Member of the Audit Committee

Mr. Panabhand Hankijjakul, Chief Audit Officer, acts as the secretary of the Audit Committee.

During 2023, there were changes to the Audit Committee as follows:

- Mr. Virasak Sutanthavibul assumed the position as a member of the Committee on April 11, 2023 to replace General Tienchai Rubporn, who had completed his term of office at the ordinary shareholders' meeting.
- Mr. Thanwa Laohasiriwong assumed the position as a member of the Committee on September 13, 2023, to replace Mr. Virasak Sutanthavibul, who was appointed as a member of the Executive Committee.

The Audit Committee performs its duties and responsibilities as outlined in the Audit Committee Charter, which is in line with the Best Practice of the Securities and Exchange Commission. The Committee placed emphasis on a structured business process under good corporate governance, risk management system and adequacy of internal control establishment. The Committee emphasizes the importance of an efficient and effective internal audit process aligned with the Bank's and Audit Cluster's strategies. This includes promoting the creation of added value and preventing potential harm to the Bank, with the overarching goal of becoming Trustworthy Advisor. The notable performance of the Audit Committee is outlined as follows:

- Highlight the importance of cultivating risk culture to support the Bank's operations in alignment with good governance principles. This involves maintaining robust internal controls adaptable to business changes through ongoing implementation of the Sustainable Krungthai Initiatives. The Committee endorsed the establishment and implementation of the GRC Platform to facilitate a more effective adherence to the Three Lines Model.
- Promote and endorse the utilization of technology and diverse tools to elevate the quality and boost the productivity and efficiency of audit engagement. Tools that directly support audit works include i.e. utilizing coding programs to develop Rule-Based for detecting falses, employing programs to implement Robotic Process Automation (RPA) solutions, leveraging OCR technology for scanning documents used in the audit process, presenting findings and/or audit results through the Data Visualization program, while incorporating support for various data management tools to establish a functional foundation for Data Analytics.

Through the utilization of technology and diverse tools, abnormal events can be promptly detected and informed to the First-Line business unit, aiding in the prevention or mitigation of damage to both customers and the Bank. Furthermore, the Committee actively advocates and fosters the involvement of diverse relevant business units in incorporating technology and tools into their operations. This is achieved through facilitating knowledge transfer and consistently sharing beneficial case studies. Consequently, the Committee remains dedicated in its pursuit of new technology and innovative tools to advance and improve audit practices further.

- Give significant priority to the human resource development, specifically by motivating internal audit personnel to acquire essential knowledge, abilities, and key skills necessary for proficient and effective audit execution, as the saying goes: 'Work professionally like a ordinary prudence person with integrity'
- Highlight the compliance to the Royal Decree on Measures for Prevention and Suppression of Technology Crimes B.E. 2566 (2023) by overseeing management actions, prioritizing preventive measures, and efficiently managing and responding to incidents related to technological threats and cybercrime.

During the year 2023, the Audit Committee held 22 meetings in total with the objectives to consider related issues with the Management, top executives, and external auditors. The Audit Committee reported the operation results to the Board of Directors on a monthly basis. The meeting attendance of the Audit Committee is as follows:

Audit Committee		Meeting Attendance
Mr. Vichai	Assarasakorn	21
Ms. Jiraphon	Kawswat	22
Mr.Thanwa	Laohasiriwong	6
Mr. Virasak	Sutanthavibul	10
General Tienchai	Rubporn	6

The key performances of the Audit Committee are summarized as follows:

Review the Financial Report

The Audit Committee with the support from the external auditor and Chief Financial, Strategy and Resources Management Officer reviewed the operation performances monthly, quarterly, half-yearly and annually as well as financial statements of the Bank and the consolidated financial statements of the Bank and consolidated group. The Committee has regularly discussed with the external auditors regarding the accuracy of the financial statements, the adjustment of significant accounting entries, the accounting estimates, the appropriateness of accounting policies, the observations from the audits and the reviews of the financial statements of the auditors, which have impacts on the financial statements. This was to ensure that the process of conducting the financial statements and the financial reports complied with the Financial Reporting Standards, the regulations specified by the Bank of Thailand and the Securities and Exchange Commission. Besides, information disclosures must meet standards of adequacy, completeness, timeliness, reliability, and practicality for users of financial statements. In the meantime, the Audit Committee and external auditor convened extraordinary meetings excluding management participation. These sessions focused on discussing scopes, guidelines, and audit plans, ensuring audit independence, and addressing suspected instances of corruption or breaches of laws related to the duties of Directors and executives under Section 89/25 of the Securities and Exchange Act. In 2023, the external auditor determined no significant remarks and did not find such suspicious behavior.

Review the Related-Party Transactions and Conflicts of Interest

The Audit Committee reviewed related-party transactions between the Bank and its affiliated companies and financial business group, the interconnected transactions or the transactions that may involve a conflict of interest to ensure that such transactions were reasonable, followed the normal business conditions and provided the utmost benefit to the Bank. The Committee oversaw that the information was adequately disclosed with transparency and without transactions that caused negative impact on the Bank significantly. In 2023, there is no connected transaction or no conflict of interest that is entitled to require consideration from the Audit Committee.

Review the Risk Management

The Audit Committee reviewed the risk management of the Bank and financial business group. Additionally, the Committee followed up the operation results of risk management through the summary report from the Risk Oversight Committee on quarterly basis to ensure that the risk management of the Bank in each field was appropriate, effective and the risk was at the acceptable level. At the same time, the Committee closely monitored both internal and external challenges impacting the Bank, with particular attention to regularly assessing debt quality, provisioning adequacy, management processes for non-performing loans (NPL) and non-performing assets (NPA), and cybersecurity incidents.

Review the Effectiveness of Internal Control System

The internal control assessment report was reviewed according to the standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Committee supervised the implementation of the internal control system and the internal control self-assessment form to guarantee the Bank's internal controls are suitable, sufficient, and in line with good corporate governance and effective risk management principles.

Review the Compliance Operations

The Audit Committee regularly reviewed the compliance with laws and regulations related to the Bank's business operations. In this regard, the Committee consistently reviewed the compliance outcomes with laws and regulations, drawing insights from the Compliance Committee's meeting minutes, regulatory agencies' inspection findings, and external auditors' reports. Consequently, the Committee also verified the implementation of essential improvements and rectifications concerning significant issues. This measure ensures the Bank's adherence to relevant laws, regulatory requirements, and internal regulations.

Oversight the Internal Audit Operations

The Audit Committee approved the review of the Audit Cluster Charter with the purpose to consider the appropriateness of the duty, responsibility, scope of work, including the rights and independence in performing duty. The Committee approved the Audit Cluster's strategic plan, 5-year audit plan and annual audit plan. The Committee also considered approving the annual budget of Audit Cluster, as well as its recruitment plan, the human resource development plan, the career path plan, the retention plan, the adequacy assessment of resources, Key Performance Indicator, the annual performance appraisal of Chief Audit Cluster Officer and the audit result of Audit Cluster. Moreover, the Committee oversaw the revision of critical aspects and monitored the progress of performance to ensure alignment with the approved audit plans. To enhance operational efficiency, the Committee offered recommendations and oversaw the equitable handling of complaints or whistleblowing to relevant parties. In addition, it approved the annual credit review plan for credit transactions and monitored its implementation, as well as reviewed the working results from the Credit Review Department.

Maintain Audit Committee Effectiveness

The Charter of Audit Committee was underwent review and revision. Performance evaluation of the Audit Committee was carried out for both individual Directors and the board as a whole, utilizing self-assessment and cross-evaluation methods respectively, in accordance with the Good Practice guidelines of the Stock Exchange of Thailand. This process aimed to ensure the effectiveness of the Audit Committee's operations and its alignment with the objectives outlined in the Audit Committee Charter. Nevertheless, the skill and knowledge development plan for the Audit Committee has been established, aligning with the required Skill Matrix, in order to strengthen the Committee's performance efficiency.

External Auditor

The Audit Committee considered the appointment of the external auditor on an annual basis. Following approval by the Board of Directors, the Audit Committee proposed the appointment of the external auditor in the Annual Ordinary General Meeting of Shareholders. In 2023, the meeting passed a resolution to appoint EY Office Company Limited to be the Bank's external auditor. The suitability of the proposed auditors has been evaluated based on their qualifications, expertise, experience in banking audits, audit programs, and adherence to auditor independence regulations set by the Bank of Thailand and the Office of the Securities and Exchange Commission. The Committee has also assessed the appropriateness of

the audit fee and the potential impact on the auditor's independence when utilizing other services provided by the auditors.

The Audit Committee performs its duties and responsibilities as assigned by the Board of Directors and complies with the responsibilities specified in the Audit Committee Charter with prudence and independence. All the opinions and suggestions expressed are straightforward, transparent, verifiable, innovative, and adhere to the good corporate governance principles, regardless of challenges in acquiring information, resources, and cooperation from the Bank. The objective is to optimize benefits for all stakeholders in a fair and equitable manner, and leverage the utmost benefit of the Krungthai Bank business group and our stakeholders as a crucial priority. The Audit Committee is of the opinion that the Bank's financial statements and information disclosure were complete, reliable, and consistent with the Financial Reporting Standards and the official requirements by the regulatory authorities. Furthermore, the external auditor maintains independence and carries out their responsibilities with professional expertise. In general, the risk management and internal control systems have been effectively and appropriately implemented. Internal audits have been conducted independently, encompassing high-risk operations and adhering to internal audit standards. Nevertheless, the appropriate internal control system has been established to ensure that the Bank maintains proper oversight of operations, adheres to laws and regulations, and aligns with the evolving business environment.



(Mr. Vichai Assarasakorn)

Chairman of the Audit Committee



Krungthai
กรุงไทย



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This Form 56-1 One Report 2023 contains forward-looking statements concerning analysis and other information (as well as the Bank's prospects, plans and business strategies). The Bank has based those forward-looking statements on the current view of the Bank with respect to future events, but it does not guarantee future results. The actual results in the future may differ materially from those anticipated in this report. Investors should consider the information carefully and must not place undue reliance on the forward-looking statements.

Hence, investors are cautioned to be particularly careful and exercise individual judgement in studying the Bank's information stated in this report.

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