



Krungthai

## COURAGE TO CHANGE

Annual Registration Statement and Annual Report 2021  
(Form 56-1 One Report)





## COURAGE TO CHANGE

Krungthai has transformed its work process to align with digital lifestyle to enhance quality of life of Thai people in all dimensions through 6Ps.



### P1 Platform

Being ready to step into Digital Economy era with leading technologies and laying digital financial foundation by developing digital platforms that enhance Thailand's digital infrastructure and enable the delivery of government assistances to the target group as well as providing financial services in order to empower better life for all Thais





**P2**  
Product

Striving to develop digital products and services that cover the needs of main daily activities of customers and the people.



**Krungthai**









**P4**  
Partner

Expanding alliances to enhance business through X2G2X strategy with government as the center and linking with 5 ecosystems through Digital Platform (Connect the dot) leading to revenue generation for the Bank (Monetization).



**Krungthai**





## P5 Process

Digitizing working process by adopting Robotic Process Automation (RPA) and AI technologies to reduce cost and increase work efficiency which can save resources, reduce paper usage, and become paperless.









of Pride

Bank of Thai people for Thai economy and Thai society to grow sustainably.

## 22 International Awards

01. The Asset Triple A Sustainable Capital Markets Country & Regional Awards 2020 for Best Retail Bond Thailand
02. The Asset Triple A Sustainable Capital Markets Country & Regional Awards 2020 for Transport Deal of the Year
03. Global Banking & Finance Awards for Best CSR Bank Thailand 2021
04. Global Banking & Finance Awards for Banking CEO of the Year Thailand 2021
05. Global Business Outlook Awards 2021 for Best Digital Transformation Bank – Thailand
06. Global Business Outlook Awards 2021 for Most Innovative COVID-19 Emergency Relief Assistance Initiatives – Thailand
07. Global Business Outlook Awards 2021 for Best Government and Infrastructure Financing Bank – Thailand
08. World Economic Magazine Awards 2021 for "Best Digital Bank Thailand 2021"
09. World Economic Magazine Awards 2021 for "Most Sustainable Bank Thailand 2021"
10. World Economic Magazine Awards 2021 for "Best Corporate Banking COVID-19 Response Initiative Thailand 2021"
11. Most Sustainable Bank Award 2021 – Thailand
12. PAN Finance Awards for Most Innovative Banking App – Krungthai Next -Thailand 2021
13. International Banker 2021 Asia & Australasia Awards for Best Innovation in Retail Banking Thailand 2021
14. International Banker 2021 Asia & Australasia Awards for Best Commercial Bank Thailand 2021
15. Asiamoney Best Bank Awards 2021 for Best Digital Bank - Thailand
16. Asia Corporate Excellence & Sustainability Awards (ACES) 2021 for Asia's Best Performing Companies & Top Workplaces in Asia





17. Sustainability Awards 2021 for Sustainability Product of the Year
18. Asia Pacific Sustainable Innovation Enterprise Award (Banking Industry)
19. Best Practice (Emerging Market) for Great Practice
20. Bank of the Year 2021 Award in Thailand
21. ASEAN Business Awards (ABA) 2021
22. SEAL Business Sustainability Awards 2021 for Sustainable Innovation Award Category

## 16 National Awards

23. ASEAN Corporate Governance Scorecard Award 2019 for ASEAN Asset Class PLCs (Thailand)
24. Thailand Top Company Awards 2021 for "Finance and Banking Industry"
25. Thailand Top Company Awards 2021 for "Best Digital Banking Service of the Year Award"
26. Product of the year Awards: Finance and Investment Group, Savings bonds via SBM Wallet
27. Best Bond Awards 2020 for Best Repo Primary Dealer

28. Best Bond Awards 2020 for Best Outright Primary Dealer
29. Best Bond Awards 2020 for COVID-19 Financing Contributor
30. "Thailand Social Awards 2021" for "Best Brand Performance on Social Media"
31. Thailand Corporate Excellence Awards 2021 in the Product / Service Excellence category
32. Thailand Sustainability Investment (THSI) 2021 Award
33. Sustainability Disclosure Award 2021
34. Thai Chamber of Commerce Outstanding Ethics Awards 2021
35. Plaque of "Senate has Faith in Goodness"
36. Best CEO in Digital Finance Award
37. Digital State Enterprise Development Award 2022
38. SOE Award 2022





โอกาสลงทุนหุ้นยักษ์ใหญ่  
ด้วยเงินบาท ผ่านตลาดหลักทรัพย์ SET

**Alibaba DR**



ลงทุนง่าย

โอกาสลงทุน

เริ่มต้นลงทุนเพียง 1 หน่วย\*

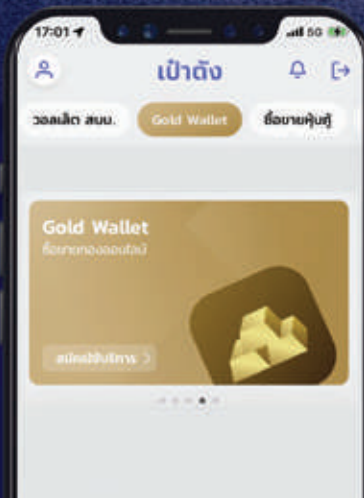
ซื้อขายเป็นสกุลเงินบาท / ในหุ้นเทคโนโลยียักษ์ระดับโลก / ค่าธรรมเนียมต่อการเทรดฯ ผ่านตลาดหลักทรัพย์ไทย

คำเตือน : การลงทุนมีความเสี่ยง ผู้ลงทุนควรทำความเข้าใจลักษณะสินค้า เงื่อนไขผลตอบแทน และความเสี่ยงก่อนตัดสินใจลงทุน ทั้งนี้ผู้ลงทุนสามารถศึกษารายละเอียดได้จากแบบแสดงรายการข้อมูลและหนังสือชี้ชวนที่ [www.sec.or.th](http://www.sec.or.th) | \* ช่วง IPO เริ่มต้นลงทุน 2,000 หน่วยขึ้นไป หมายเหตุ : การจัดสรรตราสารจะอยู่ในดุลยพินิจของผู้จัดจำหน่ายหลักทรัพย์ รายละเอียดเป็นไปตามเงื่อนไขการจัดจำหน่ายที่กำหนดในหนังสือชี้ชวน



# ก้าวสู่มิติใหม่ ซื้อขายทองออนไลน์

ส่งคำสั่ง ซื้อ-ขายทอง 99.99% กับร้านทอง แบบ Real Time  
สะดวก ง่าย รวดเร็ว ผ่าน Gold Wallet บนแอปเป๋าตัง



**ครั้งแรกในประเทศไทย** ส่งคำสั่ง ซื้อ-ขายทองออนไลน์แบบครบวงจร  
ผ่าน Gold Wallet บนแอปเป๋าตัง

- เปิดบัญชีง่าย ผ่านช่องทางออนไลน์ ทุกที่ ทุกเวลา
- ซื้อทองขึ้นต่ำเพียง 0.1 ออนซ์ กับร้านทอง หรือเท่ากับ 6,000 บาท\*
- ซื้อ-ขายทอง ด้วยสกุล USD โดยอ้างอิงราคาตลาดโลก

**เปิดซื้อขาย เวลา 07.00-02.00 น. ทุกวันทำการ**

\* ขึ้นอยู่กับอัตราแลกเปลี่ยนเงิน USD ณ วันและเวลาที่ทำการส่งคำสั่ง ซื้อ-ขายทอง บน Gold Wallet  
เงื่อนไข : ผู้ลงทุนต้องทำความเข้าใจลักษณะสินค้า เงื่อนไข ผลตอบแทนและความเสี่ยง ก่อนตัดสินใจลงทุน | ธนาคารเป็นเพียง  
ผู้ให้บริการแพลตฟอร์มส่งคำสั่งซื้อ-ขายให้กับร้านทองเท่านั้น | ผู้ซื้อ-ขายทองผ่าน Gold Wallet จะต้องเป็นบุคคลธรรมดา  
สัญชาติไทย และต้องมีอายุครบ 20 ปีบริบูรณ์ ณ วันที่ทำการซื้อ-ขาย | เงื่อนไขเป็นไปตามที่ธนาคารกำหนด

สแกน เพื่อดู





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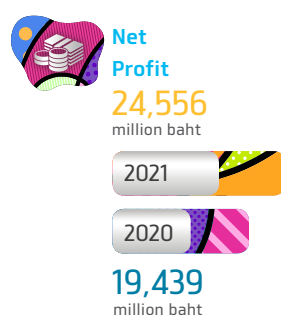
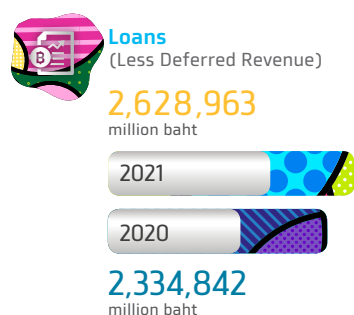
**420**

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Report of the Audit Committee



## Financial Highlights



### Consolidated financial statements (Unit : million baht)

#### Financial Standing

	2021	2020	2019	2018	2017
Total Assets	3,556,744	3,327,780	3,012,216	2,739,203	2,854,210
Loans (Less Deferred Revenue)	2,628,963	2,334,842	2,089,873	2,024,205	1,938,082
Total Deposits	2,614,747	2,463,225	2,155,865	2,039,602	2,070,875
Total Liabilities	3,182,633	2,972,717	2,663,890	2,425,062	2,559,991
Total Equity (Equity Holders of the Bank)	360,052	343,466	338,287	305,875	287,861

#### Operating Performance

Net Interest Income	83,372	88,343	88,316	83,689	86,863
Non-Interest Income	32,414	33,905	37,342	33,532	36,361
Total operating income	115,786	122,248	125,658	117,221	123,224
Other Operating Expense	52,731	53,465	62,474	53,088	49,483
Pre-provision profit	63,055	68,783	63,184	64,133	73,741
Less Expected credit losses / Impairment losses of loans and debt securities	32,524	44,903	23,814	26,192	44,834
Net Profit	24,556	19,439	32,138	31,089	24,110
Net Profit (Equity Holders of the Bank)	21,588	16,732	29,284	28,491	22,440

#### Financial Ratios (%)

Return on Average Assets (Equity Holders of the Bank)	0.63	0.53	1.02	1.02	0.81
Return on Average Equity (Equity Holders of the Bank)	6.14	4.91	9.09	9.60	7.99
Net Interest Margin (NIM)	2.49	2.91	3.22	3.13	3.28
Cost to income ratio	45.54	43.73	49.72	45.29	40.16
Loan to customers (less deferred revenue)-to-deposits ratio	100.54	94.79	96.94	99.25	93.59
NPL / Loans	3.50	3.81	4.33	4.53	4.19
Coverage Ratio	168.82	147.34	131.80	125.74	121.71
Tier 1 capital	16.86	15.79	15.24	14.47	13.44
BIS Total Capital Ratio	20.12	19.11	19.01	18.22	17.15

#### Share Information

Book Value per Share (Equity Holders of the Bank) (baht)	25.75	24.57	24.20	21.88	20.59
Earning Per Share (EPS) (baht)	1.54	1.20	2.09	2.04	1.61
Dividend Payout Ratio	N/A	28.93	40.00	40.00	40.02
Dividend per share (common stock)	N/A	0.275	0.753	0.718	0.61



## Message from the Chairman

With the determination to continuously  
conduct our business responsibly  
and with good governance

2021



The COVID-19 pandemic, which was ongoing in 2021, has had a severe impact on people and the business sector broadly. As a result, Krungthai Bank continues to focus on collaborating with various parties to provide assistance to customers and those affected by the pandemic. The Bank also acts as a key mechanism to effectively deliver government assistance measures to all people and the grass root economy by leveraging technology and innovation developed by the Bank.

The COVID-19 pandemic has uncovered the country's vulnerability in various dimensions, including inequality in income, savings, and an access to economic opportunities. Negligence to the issue of environment and climate protection is also getting more prominent while this issue is increasingly becoming a global trend. Therefore, the Bank has paid more attention on sustainable business operations or "Krungthai Sustainability" in accordance with the "Environment, Society, and Governance" (ESG) framework. This involves supporting fair business competition and enhancing long-term competitiveness of small and medium-sized businesses (SMEs) and micro businesses to achieve stable growth. With the determination to continuously conduct our business responsibly and with good governance, the Bank has gained recognition and trust from various parties, as evidenced by 38 international and national awards granted to the Bank in 2021. For instance, the Bank was granted with the "Most Sustainable Bank, Thailand 2021" Award from World Economic Magazine (USA), the "Bank of the Year 2021 in Thailand" Award from The Banker Magazine (England), the "Best Bank Awards 2021 in the category of Best Digital Bank — Thailand" from Asiamoney Magazine (Hong Kong), the "Best Digital Banking Service of the Year Award" from Business+ Magazine, the "Sustainability Disclosure Award 2021" from ThaiPAT Institute, and the Royal Award for "Thailand Corporate Excellence Awards 2021 in the category of Product/Service Excellence" by the Thailand Management Association (TMA).

However, the future business environment is highly unpredictable. To ensure that the Bank still meets the needs of customers and stakeholders, the Board of Directors continues to encourage employees at all levels to improve working method by thinking outside the box, implementing new processes in line with the new normal context, and enhancing their digital literacy through upskilling and reskilling to keep up with the digital age and be able to seamlessly integrate and utilize technologies. Additionally, the agility working approach has also been emphasized, consistent with the Bank's business models that goes towards a fully digital bank. The Bank also needs to accelerate productivity improvement, integration of work processes in the end-to-end approach, along with cultivating a DNA of zero tolerance to corruption for employees. These shall be done continuously and intensively and will require all employees to work together to enable the change from within. In this regard, the Board of Directors continues to emphasize the importance of good governance in the organization. It is believed that such principle will be the cornerstone that empowers the Bank to grow sustainably, have immunity against risks and uncertainties, and get ready to adapt to the changing trends of dynamic environment, as well as supporting Thai society to grow on a sustainable basis.

On behalf of the Board of Directors, executives, employees and subsidiaries of the Bank, I would like to express my gratitude to shareholders, business partners and customers from the private and public sector for always giving trust and confidence to Krungthai Bank. I sincerely hope that the Bank will continue to receive your support for a long time to come.

A handwritten signature in black ink, appearing to read 'K. Chinavicharana'.

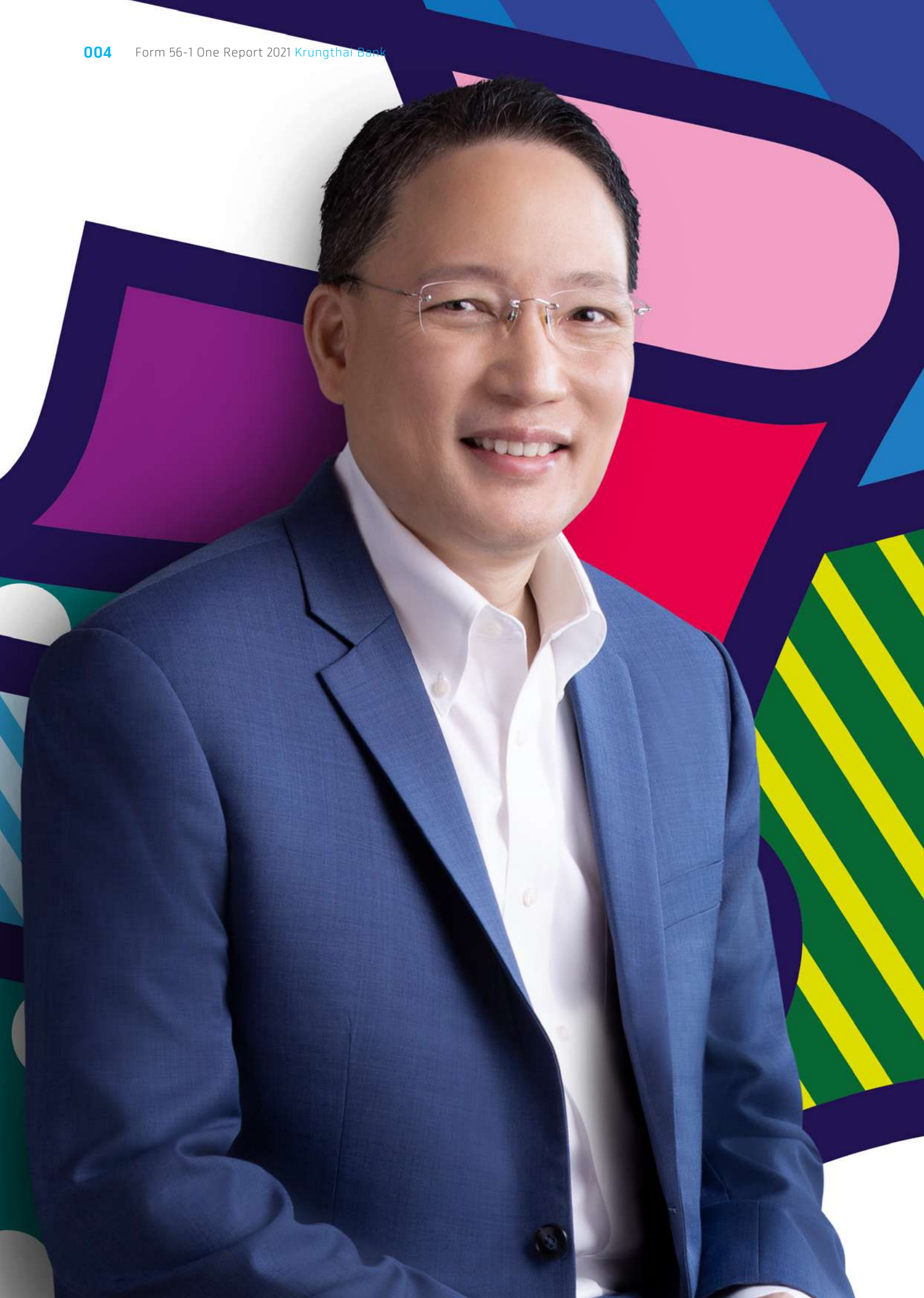
Mr. Krisada Chinavicharana

Chairman of the Board of Directors











## Message from the President

In 2021, the resurgence of the COVID-19 pandemic has stalled Thailand's economic recovery and left financial position of households and some business sectors fragile, especially in tourism-related sectors and those based on domestic demand. Hence, *Krungthai Bank has continued to support customers and entrepreneurs so that they are able to overcome this major crisis.* Together with the banking sector, the Bank has provided assistance measures for improving liquidity and restoring customers' business operation. Such measures include debt moratorium and debt restructuring in a sustainable and fair manner, that aligns with the Bank of Thailand's policy. Moreover, the Bank has been recognized for the dedication of its service network, technology, and personnel in delivering government assistance to the Thai people via several projects such as "Khon La Khrueng" (Let's Go Halves) co-payment scheme, "Rao Tiew Duay Kan" (We travel together) scheme, "Rao Chana" (We Win) project, Section 33: We Love Each Other project, and the Ying Chai Ying Dai (the more you spend, the more you get) campaign. In addition, the Bank also took part in "Thai Ruam Jai" project by setting up more than 129 out-of-hospital vaccination service stations nationwide. *All these efforts follow the Bank's determination to improve the quality of life and enhance financial equality for Thai people. These thus reflect our intention to go "Beyond Banking" that aligns with our new mission "To empower better life for all Thais", as well as the Bank's sustainable development goals that are in line with the United Nations' Sustainable Development Goals (SDGs).*

Our relentless efforts to develop digital platforms have enabled deliveries of government assistances to the target groups quickly, effectively, and with transparency. The platforms can also be leveraged to provide services that respond to new behaviors and demands in the new normal era in a timely manner. *The Bank takes into account the 5 Ecosystems as our main business target.* For *Government Agency ecosystem*, the Bank supports the government in implementing projects such as

the State Welfare Card scheme with currently more than 13 million cardholders, the 1-Baht Bond via SBM wallet which allows people to have savings in government bonds with a minimum purchase of 100 Baht, as well as other aforementioned government projects. For *Payment ecosystem*, our work includes new features and services of Krungthai NEXT application, the Krungthai Gold Wallet which provides full-fledged online gold trading service. The Bank also launched PTTEP digital bonds, the first bond in Asia traded via a digital wallet, reflecting our readiness to expand digital footprint in response to new demands in the future world. For *Healthcare ecosystem*, our Smart Hospital system is where complete services are provided through the use of technologies, such as an automatic physical examination machines, intelligent AI Chat Bot to help screen patients using voice command system, telemedicine for providing consultation with specialist through a VDO Conference system, etc. This also includes the development of new functions and services of Health Wallet to enhance health promotion and disease prevention. Likewise, *Educational Institution ecosystem* is represented with Smart University projects and various services of Student Loan Fund which can be accessed via Pao Tang application. Lastly, for *Transportation ecosystem*, the Bank develops a cashless fare payment system for various public transport systems. By means of connecting the dot, the Bank has executed the X2G2X strategy by using G or the government as the center and connecting each anchor point to the 5 ecosystems with the Digital Platform, in order to expand the business from our customers' partners, leading to revenue generation for the Bank (Monetization). *At present, the Bank is becoming a leader in the digital banking system. The current number of users on the Bank's digital platform is among the highest, reaching over totally 40 million users from both Pao Tang and Krungthai NEXT application (increasing from about 3 million KTB Netbank users during the past 4-5 years). On top of this, there are over 1.5 million stores registered in Thung Ngern application and over 16 million users in Krungthai Connex.*

## Becoming a leader in the digital banking system

The highest current number of users on the Bank's digital platform





For the year 2022, the economy is recovering, although it is still fragile and the recovery is not so inclusive. The competitive environment in the financial system has also changed drastically, bringing challenges caused by disruptions from all directions. In particular, changes in consumer behavior and new financial innovations as cryptocurrency, digital assets and DeFi or Decentralized Finance, have enforced the Bank to adjust its business model and manage resources with flexibility. This will also allow the Bank to adapt and learn new skills in an agile manner even under uncertainty. Therefore, the Bank determines to continue driving the 2 Banking Models strategy, Carrier and Speedboat under the 5 Execution Pillars action plan, with greater intensity and courage to change. The Pillars start with 1) Sustain Core Growth. This will enable our core business to grow with quality and sustainability, and becomes integrated to people's everyday life and cover all their needs. The Bank shall focus more on lending through online platforms in order to provide retail customers with more convenient and comprehensive access to financial services. Business lending will focus on industries on an upward trend, and funding to support customers' transition towards Net-Zero Emission and BCG Economy (Bio-Circular-Green Economy). 2) Build New Business Model. The Bank will look for new business opportunities via Infinitas by Krungthai Co., Ltd., which is mandated to providing Innovation & Digital Platform development services to generate new revenues in line with Mega Trends. At the end of last year, Infinitas by Krungthai Co. Ltd., on behalf of the Bank and in collaboration with Accenture Solutions Co., Ltd., established a joint venture company, Arise by Infinitas Co. Ltd., to build up "Digital Talents" to support the business expansion plans of the Bank and its partners. 3) X2G2X or business extension with the government as the center. The Bank shall expand business with customers' partners and shall play a role in connecting financial services to everyday activities related to the 5 ecosystems through Digital Connectivity. 4) Digitization. The Bank will minimize the use of paper as well as adjust internal processes and systems through the application of technologies such as Robotic Process Automation (RPA) and AI, which will reduce costs and increase efficiency in our operation. Lastly, 5) Krungthai Sustainability. The Bank will continue to emphasize on applying ESG (Environmental, social and governance) principles

to drive the Sustainable Krungthai initiative through various projects i.e., One Unit, One Sustainability Plan, the Compliance Champion Project, and the Krungthai Hackathon Project, etc. Furthermore, the Bank will place great emphasis on maintaining financial stability under a highly uncertain environment by leveraging on available tools such as the Bank of Thailand's debt restructuring via asset warehousing measures, and by setting aside a sufficiently high level of provision in order to manage the NPL cliff effectively.

Employee development is another mission that the Bank places emphasis on. The Bank will continue to promote the employees' courage to change and support upskill/reskill trainings, especially in innovation, creativity, and design thinking. These will elevate the organization's capabilities to respond to the future of work trend. The Bank has also promoted a working model based on Formula 1 culture, consisting of the concepts "Integration", "Agility", "Reliability", "Accuracy", and "Security". Moreover, the Bank will also focus on building synergy with companies in the business group and partners to jointly develop products and services that cover the main activities in daily lives of customers.

Through the implementation of the aforementioned strategic plans and action plans, the Bank shall continue to be a leading commercial bank that satisfies all needs of stakeholders, empowering better life for all Thais by reducing inequalities in the access to basic necessities in the digital economy and narrowing the income distribution gap. At the same time, the Bank shall continue to cooperate with our partners to be a crucial mechanism to drive the country toward the future digital economy with stability and sustainability.



Mr. Payong Srivanich

President





Krungthai

## Vision and Mission



Vision

Growing  
Together for  
Sustainability



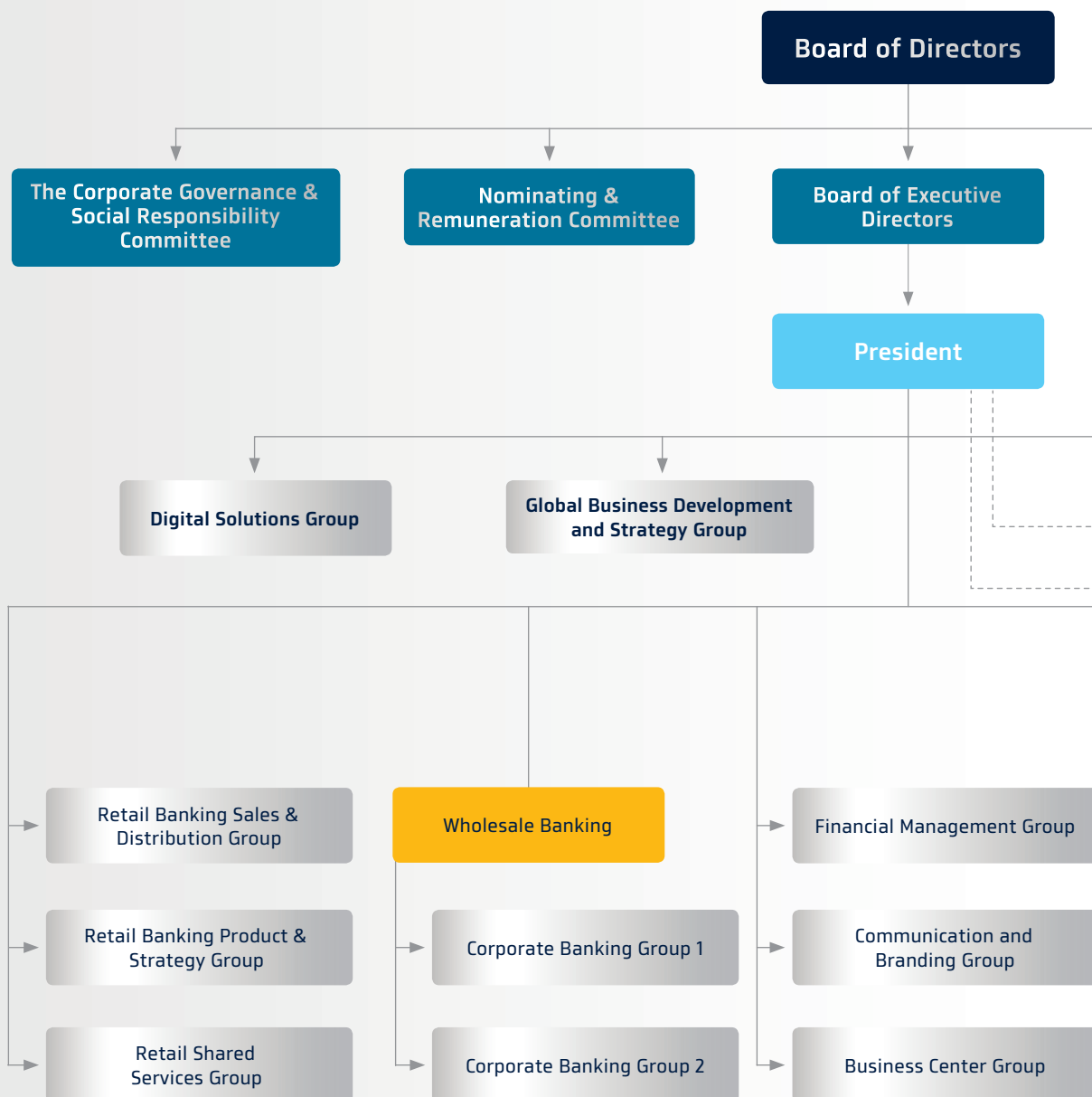
Mission

“TO EMPOWER BETTER LIFE FOR  
ALL THAIS”



## Organization Chart

As at December 31, 2021



### Krungthai Group

#### Credit-Related Business



KTBL  
KTB Leasing Co., Ltd.



KTIBJ LEASING  
Krung Thai IBJ Leasing Co., Ltd.\*



KTC  
Krungthai Card Pcl.



KTC NANO  
KTC NANO Co., Ltd.



PREPAID  
KTC PREPAID Co., Ltd.



PICO  
นัฐนิช  
KTC Pico (Bangkok) Co., Ltd.



PICO  
ชัชวาลย์  
KTC Pico (Chonburi) Co., Ltd.



PICO  
ปัทมธนา  
KTC Pico (Pathum Thani) Co., Ltd.



PICO  
ปัทมธนา  
KTC Pico (Samut Prakan) Co., Ltd.

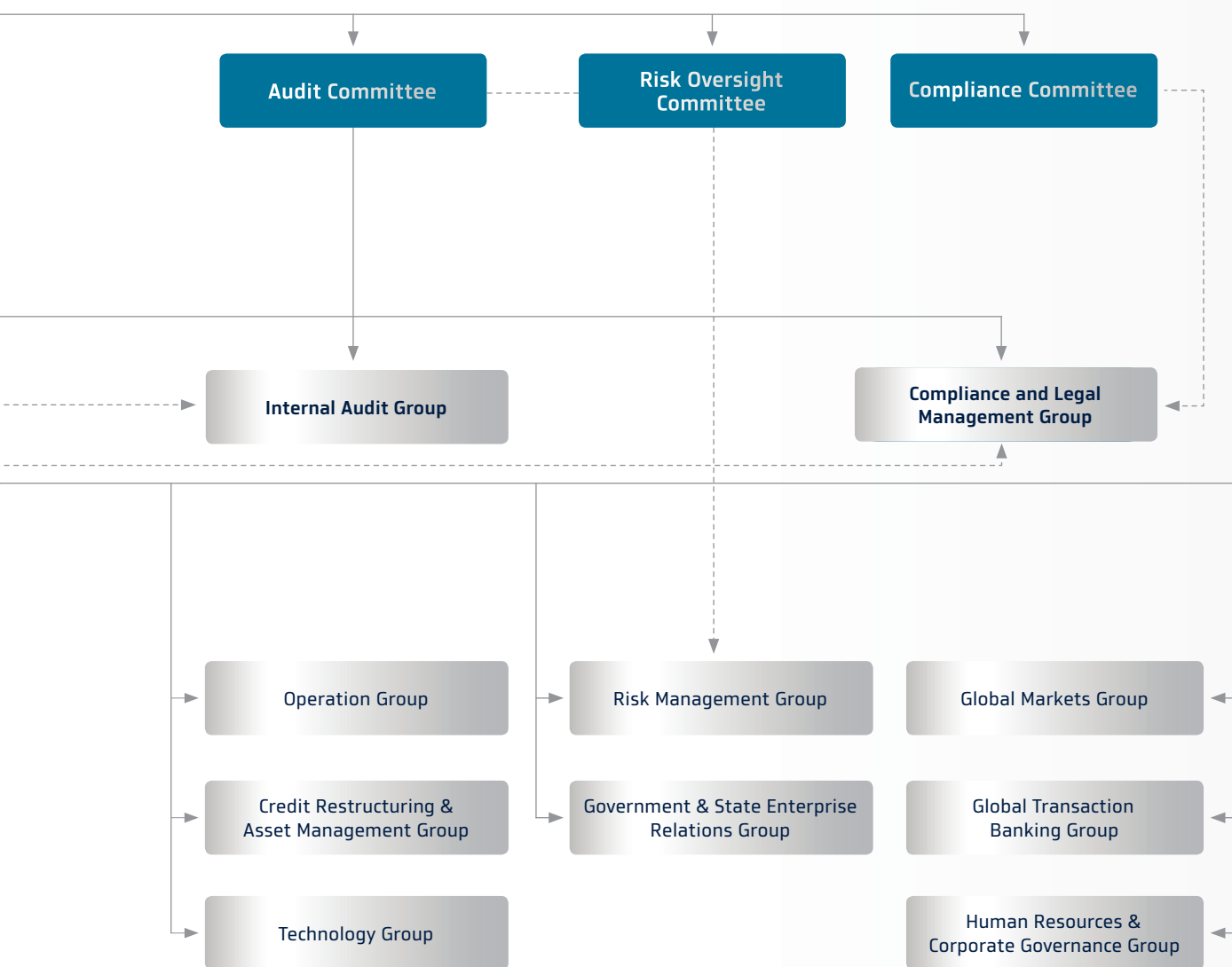


PICO  
สกลนคร  
KTC Pico (Samut Sakhon) Co., Ltd.

#### Payment Service under Supervision

\* On 5 January 2022, change its name to Krungthai Mizuho Leasing Co.,Ltd





#### Capital Market Business



Krungthai Asset Management Pcl.



Krungthai ZMICO Securities Co., Ltd.



Krungthai-AXA Life Insurance Pcl.



KTB General Services and Security Co., Ltd.



KTB computer services Co. Ltd

#### Holding Company



KTB Advisory Co., Ltd.



Krungthai Panich Insurance Pcl.



KTB Law Co., Ltd.



Infinitas by krungthai Co., Ltd.



Arise by Infinitas Co., Ltd.



## The Board of Directors

As at December 31, 2021



**Mr. Krisada Chinavicharana**

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 Social Responsibility Committee

04

#### Mr. Thanwa Laohasiriwong

Director  
Independent Director  
Chairman of the Nominating and Remuneration Committee  
Member of the Compliance Committee  
Member of the Risk Oversight Committee



03

02

04



## The Board of Directors

As at December 31, 2021

05

### Prof.Dr. Kittipong Kittayarak

Director  
Independent Director  
Chairman of the Corporate Governance and Social Responsibility Committee  
Member of the Compliance Committee

06

### Mr. Teerapong Wongsawilas

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

07

### General Tienchai Rubporn

Director  
Chairman of the Independent Directors Committee  
Member of the Audit Committee  
Member of the Compliance Committee

08

### Mr. Poornis Sakuntanaga

Director  
Executive Director  
Member of the Risk Oversight Committee



05

06

07

08

09

**Ms. Nitima Thepvanangkul**

Director  
Independent Director  
Member of the Audit Committee  
Member of the Corporate Governance  
and Social Responsibility Committee

10

**Mr. Lavaron Sangsnit**

Director  
Executive Director  
Member of the Nominating and  
Remuneration Committee

11

**Dr. Kulaya Tantitemit**

Director  
Member of the Risk Oversight Committee  
Member of the Corporate Governance  
and Social Responsibility Committee

12

**Mr. Payong Srivanich**

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



09



10



11



12



## The Executive Officers

As at December 31, 2021



**Mr. Payong Srivanich**  
President

02

**Ms. Praralee Ratanaprasartporn**

Senior Executive Vice President -  
Head of Digital Solutions Group

03

**Mr. Weerapong Suppasedsak**

Senior Executive Vice President -  
Head of Business Center Group

04

**Mr. Suratun Kongton**

Senior Executive Vice President -  
Head of Corporate Banking Group 2  
Acting for Head of Corporate Banking Group 1

05

**Mr. Rawin Boonyanusasna**

Senior Executive Vice President -  
Head of Global Markets Group



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## The Executive Officers

As at December 31, 2021

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**Mr. Ekachai Techawiriyakul**

Senior Executive Vice President -  
Head of Risk Management Group

07

**Ms. Saranya Vejakul**

Senior Executive Vice President -  
Head of Financial Management Group

08

**Mr. Santi Parivisutt**

Senior Executive Vice President -  
Head of Operation Group

09

**Mr. Suppawat Wadhanapatee**

Senior Executive Vice President -  
Head of Human Resources and  
Corporate Governance Group



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**Mr. Tawatchai Cheevanon**

Senior Executive Vice President -  
Head of Global Transaction Banking Group

11

**Mr. Pongsit Chaichatpornasuk**

Senior Executive Vice President -  
Head of Compliance and Legal  
Management Group

12

**Mr. Kittipat Peantham**

First Executive Vice President -  
Head of Government & State Enterprise  
Relations Group

13

**Mr. Pichit Jongsaliswang\***

First Executive Vice President -  
Head of Retail Strategy Product &  
Segmentation Group

14

**Mr. Chanchai Sinsuparatn**

First Executive Vice President -  
Head of Retail Shared Services Group



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\* Resigned from the bank on January 1, 2022



## The Executive Officers

As at December 31, 2021

15

### Mr. Panabhand Hankijjakul

First Executive Vice President –  
Head of Internal Audit Group

16

### Mr. Chalerm Pradidarecheep

First Executive Vice President –  
Head of Retail Banking Sales and  
Distribution Group

17

### Ms. Suwanna Anantanond

First Executive Vice President –  
Head of Credit Restructuring and  
Asset Management Group

18

### Mr. Krit Chamapisit

First Executive Vice President –  
Head of Communication and Branding Group

19

### Mr. Rungruang Sukkirdkijpiboon\*

Advisor to The President, Krungthai Bank



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\* Acting for Head of Retail Banking Product & Strategy Group from January 1, 2022

## 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 under the vision of "Growing Together for Sustainability". The Bank has changed its mission from the original "Take care of and develop the employees' potential in order to encourage growth and wealth for customers, create better quality for society and environment and create sustainable returns for shareholders." to the new mission "To empower better life for all Thais". In this regard, the Bank is committed to developing financial technology and innovations through the Thailand Digital Platform in order to improve the quality of life of people and all groups of customers in various dimensions, such as creating learning opportunities 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 and aiming to create financial equality for Thai people, such as opportunities to access funding sources, financial literacy, fundamental rights for government services, and income equality for people to support the achievement of the Bank's new mission.

### Overview of the Bank's Operation in 2021

The overall Thai economy in 2021 still faces high uncertainty about economic recovery from the COVID-19 situation, including challenges from various factors that affect the banking business, such as the current fiercely competitive business environment, new technology that is applied, changing behaviors of consumers, entrepreneurs, and business sectors to support a new normal lifestyle, entering into the competition of new players, and the trend of increasing emphasis on ESG. The Bank has to adapt to keep up with the situation as well as being able to cope with the rapid and violent changes that occur in order to enable the Bank to respond to the needs of customers, shareholders, and related parties, including being able to move through this crisis.

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 brainstorm 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 communicated the Bank's strategic plan, business plan and important goals to employees in the organization thoroughly. For example, the Bank held a KTB Business Strategy Seminar annually with the intention that the executives, Branch Managers, Regional Office Managers and FVP Department Heads or higher, could be acknowledged about management policies and 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 Board of Directors' mobile meetings and visited the business unit 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 gave the policy, strategy and suggestions to the Management through the Board of Director meetings. Consequently, after the Management had taken such advice into the process, the Management had to report the progress and the accomplishment at the meeting regularly.

Based on the aforementioned situations and challenges, Krungthai Bank's business direction and strategic plan in 2021 still pays attention to business driving with two key business models, Carrier and Speedboat to further the Bank's growth as follows:

- (1) Carrier: It emphasizes efficiency and reduction of operating costs of key business units to protect the Bank's existing business base and customers.
- (2) Speedboat: It aims to do business in an agile model with the Fail Fast, Learn Fast working principle, relying on agility and speed, and data analysis on digital platform/open banking to try and find new business, including expanding business from customers' partners and seeking cooperation with government schemes.

Under the aforementioned strategic plan, the Bank operates in accordance with the action plan of 5 Execution Pillars to cope with the uncertainties and challenges of 2021 as follows:

1. The existing core business growth (carrier) is supported to grow continuously and efficiently. The Bank has to take care of non-performing loans along with supporting its customers and overseeing cross-selling so that customers have as little impact as possible.
2. Creating a new business model under a parallel strategy between carrier and speedboat
  - The Bank changed the service model to a sale service. Because some branches have a large number of employees and many services may be replaced by digital services, such as call centers,

securities appraisals, etc., the service must be changed from service to sale to serve more diverse customers. The operation of "Infinitas by Krungthai" aims to develop financial technology and innovation through the Thailand Open Digital Platform that can fully meet the needs of customers and cover all activities in the people's everyday life, while "Arise by Infinitas" aims to produce digital creators to support the operations of Infinitas.

3. Reduce paper use to a minimum (Paperless): The Bank has adopted Robotic Process Automation (RPA) and AI to be more used in the internal work processes to minimize the use of paper in the future and various work steps. This makes its internal work processes much faster and enhances its competitiveness, including increasing customer satisfaction when using the service.
4. The Bank expands business from customers' partners with the X2G2X strategy that is government-centric and connects business partners and retail customers with the efficiency of technology (Digital Supply Chain).
5. Krungthai Sustainability. The Bank will support policies in the implementation of various activities or schemes to take care of Thai people, the economy, society, and the environment to meet the needs of a strong community. As a result, the Bank sustainably grows with the society and economy of the country.

So that Krungthai Bank can achieve its vision and mission, which focuses on making people's lives better, supporting people in all sectors to have access to financial services, reducing inequality and income distribution gap in the society, and enhancing digital literacy skill for people, as well as maintaining competitiveness as the leading commercial bank in the country, it continues to focus on driving 2 banking models in parallel and 5 ecosystem orchestrators, which are its main target groups. The Bank has carried out various schemes and focused on innovation that connects the Bank's five ecosystem orchestrators. For example, **group of government agencies** includes joint support of various assistance measures of the government during the COVID-19 pandemic situation, developing new functions and services of wallets. **Payment group** includes developing new functions and services of the Krungthai NEXT application, Digital Lending service. **Group of health and wellness** includes the expansion of smart hospital partners, developing new functions and services of Health Wallet. **Group of education** includes the expansion of cooperation with universities and educational institutions to implement the Smart University project, and **mass transit group** includes the development of a cashless fare payment system for various forms of public transportation. The Bank views these five customer segments as its strengths to maintain and be used to link services to other ecosystems in order to meet the daily needs of customers, allowing the Bank to expand its business through offering various financial services and truly meet all needs.

Examples of key products and services of the 5 target ecosystems in 2021

## 1. Government

- **Government Welfare Card:** The Bank joined with the Comptroller General's Department for developing Government Welfare Cards and distributed about 11.6 million cards to low-income earners at the end of 2018. The Bank had issued additional government welfare cards under Thai Niyom Yung Yuen Project in 2019 for disabled people, elderly people, bed-ridden patients or those people who cannot travel for a registration in 2017 amounting to more than 3 million people in 2020. The objective was to reduce cost of living, consumption expenses (cost of utilities and discount on the purchase of LPG) and cost for public transportation. The Bank also participated in economic stimulus assistance measures and an urgent economic stimulus package to assist more than 14.6 million low-income earners.

Currently, there are 13.6 million government welfare cardholders in the system since some of the cardholders have passed away. In 2021, the government has supported the budget to help low-income earners who held government welfare cards via the Pracha Rat Welfare and Subsidy Scheme for Economy foundations and Society, amounting to over Baht 49,500 million.

- **SBM Wallet (Sasom Bond Mung Kung e-Wallet):** The Bank collaborated with the Public Debt Management Office to develop a Sor Bor Mor e-wallet on Pao Tang mobile application to support Thailand's first digital bond trading. The Bank has jointly offered various savings bonds through the Sor Bor Mor e-wallet as follows:

- The Rao Chana (We Win) edition of savings bonds, worth Baht 5,000 million, maturity of 5 years, average interest rate of 2.00% per year, total number of 9,549 buyers from all provinces across the country, average purchase amount of Baht 500,000 per person
- "Ying Aom Ying Dai" (the more you save, the more you earn) edition of savings bonds, worth Baht 10,000 million, maturity of 3 years, average interest rate of 1.80% per year, a total number of 11,874 buyers, average purchase amount of Baht 842,000. The investors are 15 years to 94 years old from all provinces nationwide. They were snapped up within 2 hours and 45 minutes.
- "Om Pai Duay Kan" (Let's Save Together) edition of savings bonds: They have 2 tranches, worth Baht 10,000 million, namely the 5-year term with an average interest rate of 2.10% per year and the 10-year term with an average interest rate of 3.00% per year. There are investors from the age of 15-90 in all provinces across the country, divided into Bangkok 33.5% and other provinces 66.5%. They were snapped up within 12 minutes.

The sale of savings bonds through digital platforms gave opportunities for all groups of people in all regions to access government savings bond investments. It distributed the opportunity to access savings bond investments to retail investors

across the country. It reduced disparities in access to savings and investment products and also promoted comprehensive and sustainable savings for all groups of people. Investors can trade bonds in the Sor Bor Mor 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.

- **Customs Trader Portal:** The Bank cooperated with the Customs Department to develop the "Online Visitor Registration System via Customs Trader Portal" to facilitate importers and exporters, customs brokers, and shipping agents. They can register or renew their registrations with the Customs Department anywhere, anytime, conveniently, safely, and quickly. The system will automatically send the information to the customs officers. System users who have registered with the Customs Department on the Customs Trader Portal website can verify their identity via the Bank in 3 channels: 1. the Pao Tang application, 2. 3,300 gray ATMs of Krungthai Bank nationwide, and 3. more than 1,000 bank branches nationwide. Moreover, Krungthai Bank is ready to continuously support the development of innovations to enhance the services of the Customs Department, extending the Customs Trader Portal scheme to increase efficiency in the door-to-door one-stop service delivery process for importers. This helps the customs brokers manage goods effectively, and the importers can wait to receive the goods at home safely. The system connects to the Bank's payment system and digital evidence collection to track the status of imports and shipping.

- **Assistance measures and the government's economic stimulus measures to help people impacted from the COVID-19 pandemic:** Regarding the economic crisis and the COVID-19 pandemic, it severely affects people across the country in all dimensions, including physical health, mental health, economy, education, etc. Krungthai Bank as a state commercial bank has been part of the government sector in accelerating help to the people through the development of a Digital Platform to facilitate Thai people in accessing various government assistance measures. Major government projects that the Bank is involved in are as follows:

### Schemes under Remedial Measures for People Affected by COVID-19

1. **The "Rao Chana" (We Win) scheme:** The Bank, in cooperation with the Ministry of Finance, the Fiscal Policy Office, the Comptroller General's Department, Revenue Department, Ministry of Transport, and government agencies, executed the "Rao Chana" (We Win) financial aid scheme to reduce the burden of living expenses for people, causing them to be used for consumption expenditures, in particular, necessary utility expenses and travel expenses. The scheme requires those affected to register for compensation of no more than 9,000 baht per person. The assistance will cover all occupational groups, such as self-employed, hawkers, stalls, employed,





พันธมิตรรอมทรพย์ รุ่นวอลเล็ท สบม.

# ซื้อ-ขาย ในตลาดรอง ผ่านแอปฯ ได้แล้ววันนี้

สะดวก  
รับเงินทันที



พันธมิตรรอมทรพย์ รุ่นวอลเล็ท สบม. ของกระทรวงการคลังในปีงบประมาณ พ.ศ. 2563 ครั้งที่ 1 และ ครั้งที่ 2  
เงื่อนไข: ผู้ลงทุนต้องทำความเข้าใจลักษณะสินค้า เงื่อนไขผลตอบแทนและความเสี่ยงก่อนตัดสินใจลงทุน

farmers, groups of state welfare card holders, groups of people who need special assistance, such as not having access to the internet, no smartphone, and people in dependency conditions such as the elderly, the handicapped, the disabled, bed-ridden patients, etc. The payment is made on a weekly basis to allow for a spread of spending over time. To support the scheme, people can use their right of the "Rao Chana" (We Win) scheme at the restaurants, general stores, service outlets such as barbershops, massage parlors and dental clinics, as well as transportation including motorbike taxis, taxis, tuk-tuks, buses, vans and minibuses. Krungthai Bank has provided additional schemes and actions as follows:

- Develop a registration system for Krungthai Bank's "Rao Chana" (We Win) scheme by expanding bandwidth to support the registration of people who are interested in joining the scheme at the same time. It can support up to 1.6 million registrations per second.
- Add more than 20,000 EDC machines and employ students to facilitate merchants who come to register as participating merchants at Krungthai Bank's branches.
- Organize the registration system for the scheme at 1,023 bank branches and 871 mobile service points nationwide to facilitate people in need of special assistance who wish to register.
- Increase the registration service point for the scheme to be able to register to participate in the scheme at branches or service points of the Government Savings Bank, the Bank for Agriculture and Agricultural Cooperatives, the Provincial Treasury Offices, the Area Excise Offices, and the Area Revenue Offices across the country. There must be at least 3,500 registration service points for the scheme to serve the people.
- Improve the operating system of the "Thung Ngern" application to be more concise and appropriate, in order to maintain the interests of honest citizens and entrepreneurs, as well as to control and reduce the likelihood of wrongdoing by operators.

The performance of the "Rao Chana" (We Win) scheme from February 5 to June 30, 2021, showed that there were more than 1.3 million merchants registered to participate in the scheme. Most of them are general stores and others, Blue Flag shops, restaurants and eateries, and OTOP stores. Over 33.2 million people had cumulative spending of over Baht 273,000 million.

2. **The "Section 33 Rao Rak Kan" financial aid scheme:** The Bank in cooperation with the Ministry of Finance and the Ministry of Labor, implemented the "Section

33 Rao Rak Kan" scheme to help Section 33 employees that were affected by the COVID-19 pandemic. Eligible people will receive a living allowance of 6,000 baht per person through the Pao Tang application and can use the money for purchases of goods and services with participating merchants of the "Rao Chana" (We Win) scheme.

The performance of the scheme from March 22-June 30, 2021, showed that there were more than 8.1 million users, with cumulative spending of more than 48 billion baht.

### Schemes to Stimulate the Economy in the Country

1. **Let's Go Halves Co-payment Scheme:** The Bank in cooperation with the Ministry of Finance, the Fiscal Policy Office, and the Comptroller General's Department, implemented the Kon La Krueng (Half-Half) co-payment scheme. The scheme aims to restore the foundation economy and enable micro entrepreneurs, especially hawkers and stalls, to generate more income from selling products, including reducing the burden of people's expenditures and stimulating the economy.

- **The Kon La Krueng (Let's Go Halves) co-payment scheme, Phase 1 and 2:** The government pays 50% for food, beverages and general goods through the buyer's side, but not more than 150 baht per person per day or not more than 3,500 baht per person throughout the scheme period.

The performance of the scheme, Phase 1 and Phase 2, from October 23, 2020 to March 31, 2021, showed that more than 1.5 million merchants have registered for the scheme. There are more than 14.7 million registered users, with a total spending of over 102,000 million baht throughout the scheme, divided into money that people pay more than 52,000 million baht and the government pays more than 50 billion baht.

- **The Kon La Krueng (Let's Go Halves) co-payment scheme, Phase 3:** The government pays 50% for food, beverages, general goods, and service fees through the buyer's side, but not more than 150 baht per person per day or not more than 4,500 baht per person throughout the scheme period. The Bank has also expanded the potential of the Pao Tang application to support spending on ordering food and beverages through food delivery platforms that have been approved to join the scheme, including Grab, LINE MAN and True Food, to increase ease of use for the people participating in the scheme. It reduces the cost of living and meets the changing lifestyles of Thai people.



The performance of the scheme, Phase 3 from July 1 to December 31, 2021, showed that more than 1.3 million merchants have registered to participate in the scheme. There are more than 26.3 million accumulated users from 28 million right-holders, with cumulative spending of more than 223,900 million baht, divided into money paid by the people of over 113,900 million baht and the government co-paying more than 110,000 million baht. From information on spending through the food delivery platforms, there are accumulated spending of approximately 3,600 million baht, divided into money that people pay more than 1,900 million baht and the government's jointly paying more than 1,700 million baht. More than 82,000 food and beverage operators on food delivery platforms participate in the scheme.

2. **The "Ying Chai Ying Dai" scheme:** The Bank in cooperation with the Ministry of Finance implemented the "Ying Chai Ying Dai" (the more you spend, the more you get) scheme. It aims to restore the economy by stimulating domestic consumption through people who have purchasing power and supporting entrepreneurs who are in the VAT system. Those who are entitled to pay for goods or services via g-Wallet on the "Pao Tang" application and participating entrepreneurs with VAT registration who installed the "Tung Ngern" application will receive cash-back e-vouchers with a maximum limit of 10,000 baht per person throughout the scheme period.

The performance of the scheme from July 1 to December 31, 2021 showed that there were more than 91,000 users out of more than 490,000 eligible people, with cumulative spending of more than 3.8 billion baht and accumulated spending on e-Vouchers of more than 330 million baht.

3. **The Scheme to boost the purchasing power of state welfare card holders:** The Bank in cooperation with the Ministry of Finance and the Comptroller General's Department, implemented the scheme to boost the purchasing power of state welfare card holders by helping pay for products from low-cost Blue Flag shops and for goods or service fees from stores or service providers that participate in the Kon La Krueng (Half-Half) co-payment scheme, Phase 3, with a maximum limit of 1,800 baht per person.

The performance of the scheme from July 1 to December 31, 2021, showed that there were more than 13.5 million active users, with cumulative spending of more than 24 billion baht.

4. **The Scheme to boost the purchasing power of people who need special assistance:** The Bank in cooperation with the Ministry of Finance and the Comptroller General's Department implemented the

scheme boost the purchasing power of people who need special assistance, such as those who do not have access to the internet, those who have no smartphones, those who are in dependency (the elderly, the disabled, the handicapped, bed-ridden patients who are unable to register or travel to spend the amount received through the "Pao Tang" application), etc. The government will help pay for products from low-cost Blue Flag shops and goods or service fees from stores or service providers that participate in the Kon La Krueng (Half-Half) co-payment scheme, Phase 3, with a maximum limit of 1,800 baht per person.

The performance of the scheme from July 1 to December 31, 2021, showed that there were more than 1.5 million active users, with accumulated spending of more than 2,100 million baht.

5. **The Rao Tiew Duay Kan (We Travel Together) co-payment scheme, Phase 3:** The Bank in cooperation with the Ministry of Finance and the Tourism Authority of Thailand, implemented the scheme by providing 2 million additional rights and increasing the number of rooms by 2 million. The implementation period is from October 2021 to April 2022. The matter will be presented to the Cabinet meeting again. In this regard, the government joins in supporting 40% of the hotel price (not more than 3,000 baht/room/night), supporting 600 baht food coupons per night, and supporting 40% of airfare (not exceeding 2,000 baht or 3,000 baht, according to the conditions of each province).

The performance of the scheme from October 15 to December 13, 2021, showed that there were more than 1.04 million registered people and more than 8,900 participating entrepreneurs. The accumulated spending amount is over 8,000 million baht, divided into hotel/accommodation spending of more than 7 billion baht, spending on coupons in the scheme of over 900 million baht, and spending on airfare of over 100 million baht.

6. **The Tour Teaw Thai Scheme:** The Bank in cooperation with the Ministry of Finance and the Tourism Authority of Thailand, implemented the scheme, which helps subsidize 40% of tour packages of up to 5,000 baht to one million people from October 2021 to April 2022.

The performance of the scheme from October 15 to November 26, 2021, showed that more than 10,000 people have registered for rights. 760 tour companies have applied to join the scheme with more than 1,500 tour programs. The total amount of travel and accumulated expenses is over 18 million baht.

Krungthai Bank as a state-owned commercial bank, has served as a pillar of the country's economy in helping customers and people and supporting government policies to help sustain

the country's economy in times of crisis, together with driving Thailand 4.0 policy, which will lead to a cashless society in the future. The implementation of various schemes not only helps to restore the community economy through people's consumption and spending, but also helps to create learning opportunities for people at the foundation level so that they are able to take advantage of technology to reduce inequality and develop Thai society to move towards a digital society. At the same time, it reduces the use of cash, making the implementation of government schemes more efficient and providing targeted help to targeted people with transparency and accountability.

## 2. Payment

- **Krungthai NEXT:** The Bank has continuously developed the new version of the Krungthai NEXT application to become the full-scale digital banking to support all future financial activities. New financial features and services of the Krungthai NEXT application in 2021 are as follows:
  - **Krungthai Smart Money Loan** is for customers who have a regular income of 30,000 baht per month or more. It is easy to apply. Customers can apply for it anywhere, anytime and know the approval results through the Krungthai NEXT. It offers a 5x credit limit of the income, with a maximum loan limit of 1 million baht and a minimum repayment of 500 per month.
  - **Krungthai Jaidee Loan** is for customers who have a payroll account with Krungthai Bank and are invited to apply for a loan through Krungthai NEXT or Krungthai Connxt. Customers can apply via Krungthai NEXT within 5 minutes. No documents and no guarantor are required. The said loan is a revolving reserve, ready to be used up to 100,000 baht. There are no interest if customers do not utilize loan.
  - **Credit scoring check service via Krungthai NEXT:** The Bank in cooperation with the National Credit Bureau Co., Ltd. (Credit Bureau) expands credit check and credit scoring service channels via the Krungthai NEXT application to facilitate customers. They can receive reports via email within 24 hours of a successful transaction and payment. It helps customers know their debt status, have financial discipline and be able to budget effectively.
  - **Krungthai WARP:** The Bank has developed the service "Krungthai WARP", an intelligent foreign money transfer service on the Krungthai NEXT application, making money transfers convenient, fast, at a lower cost. Customers can choose to transfer money either from a savings account. Foreign Currency Deposit Account (FCD) and is the only place that can choose to transfer from a foreign currency electronic wallet (Inter Wallet) with special exchange rates. Customers can also gradually exchange their money stored to reduce the risk of exchange rate fluctuations. The system will automatically calculate the cheapest transfer fee for customers by specifying the country, currency, and amount they wish to transfer. Customers can make transactions by themselves 24 hours a day, and recipients get paid in real time.
- **PromptPay Inter Service:** The Bank launched the "PromptPay International" money transfer service via the Krungthai NEXT application. It connects the money transfer service between Thailand and Singapore with the world's first mobile phone number PromptPay system. Such service helps to make money transfers to Singapore destinations easy. Customers can make transactions by themselves 24 hours a day. It is provided that the destination must have a mobile phone number registered in Paynow with DBS Bank, UOB Bank, and OCBC Bank in Singapore. The Bank may impose a daily transfer limit of 25,000 baht or S \$1,000. The PromptPay Inter Service is a new choice for transferring money that is convenient, fast, and secure. Recipients get paid in real time, and customers can check their history at any time.
- **Cross-border QR payment linkage between Singapore and Thailand:** The bank developed the Cross-Border QR Payment service to provide cross-border payment of goods and services between Thailand and Singapore via the QR Code system. The Bank is the first bank in the country where transactions can be made through the Krungthai NEXT application to pay for goods and services in Singapore by scanning the QR Code of NETS, a major digital payment service provider, covering more than 80% of leading merchants nationwide. Singapore Customers of participating banks in Singapore, such as DBS, UOB, and OCBC, can use their respective banks' applications to scan Thailand's standard QR Code to pay for goods and services in Thailand easily, quickly, and safely.
- **Subscription system through Krungthai NEXT:** The Bank developed Money Connect by Krungthai's online securities subscription service via the Krungthai NEXT application to be used conveniently, quickly and respond to all investment needs. The Bank adjusted the system to Single Sign-On to be able to immediately make subscriptions for securities that are available for sale, such as stocks, bonds, real estate investment trusts (REITs) and infrastructure



funds (IFF). The service can also be paid by direct debit from a bank account. It is easy for customers to make investments every step of the way without having to send a subscription form or attachments to the Bank, reducing travel and avoiding using cash.

- **Krungthai Gold Wallet:** The Bank has partnered with MTS GOLD under the brand "Mae Thong Suk" to develop "Krungthai Gold Wallet" on the Pao Tang application, giving investors the opportunity to access 99.99% pure gold investments in real time through a comprehensive online channel, namely opening an account, top-up and money exchange, and buying and selling gold, without the need to travel to a gold shop or banks. It meets investment in the new era and reduces the burden of gold storage for investors. Customers can invest in gold directly into US dollars anywhere, making it convenient, fast, and safe. There are no fees. It requires a minimum investment of only 0.1 ounce, or approximately 6,000 baht. It is available for investment during business days, Monday through Friday, from 7:00 a.m. to 2:00 a.m.

After the Bank launched the "Krungthai Gold Wallet" service, the first comprehensive online gold trading service in Thailand for a period of one month, it was found that more than 10,000 investors had opened a Gold Wallet to trade gold on the Pao Tang application. The cumulative value of the gold trading business is more than 1,000 million baht, reflecting investors' confidence in both gold investment confidence and the security of investments in the digital era.

- **PTTEP digital bond via Pao Tang Application:** The Bank in cooperation with the PTT Exploration and Production PCL (PTTEP), offered to sell "PTTEP digital bonds" with a maturity of 5 years and an average yield of 2.25% per annum during November 2-4, 2021, through the "Pao Tang" application. It is considered a digital wallet bond and was traded for the first time in Asia. A minimum investment is only 1,000 baht, which is the initial investment value. It is the lowest selling bond in the country to provide retail investors access to investment opportunities. The Bank also serves as an intermediary for the secondary market to provide investors with a convenient and fast trading channel, 24 hours a day. Investors can receive bonds and money immediately without a fee.

The offering value of digital bonds of PTTEP was 6,000 million baht, with a total of 8,363 investors, and it sold out within 8 minutes and 12 seconds. The proportion of investors is distributed in all provinces across the country, divided into Bangkok at 40.9% and other provinces at 59.1%, and is distributed in all age groups between 20 and 89 years, especially the first

jobber group aged between 20 and 29 years, at 7.8%, and the group aged 60 years and over, at up to 25%. It means that all groups of people have the opportunity to access investment assets that meet their needs thoroughly and equitably.

As a result of the cooperation in the offering of digital bonds for PTTEP, the Bank and PTTEP have continued to build on their success towards sustainable business practices by signing an agreement on Cross Currency Swap (CCS) on PTTEP digital bonds that measure environmental, social and corporate governance (ESG) performance or ESG-Linked Cross Currency Swap, which is the first time in Thailand to support the importance of ESG covering financial risk management.

- **"Point Pay" pays instead of cash through the "Tung Ngern" app:** The Bank has partnered with Advanced Info Service Public Co. Ltd. (AIS) to launch the "Point Pay" project to help small merchants across the country be able to sell more products. More than 43.2 million AIS customers can use their reward points instead of cash on the "Tung Ngern" application. Currently, there are more than 1.5 million stores on the "Tung Ngern" application. In the first phase, the project will be piloted with 45,000 food and beverage stores in 15 provinces before expanding to more stores. The Bank aims for more than 700,000 stores across the country to join the project on the "Tung Ngern" application. This project will help boost sales to retail stores in various communities, helping merchants survive and grow during the economic slowdown.
- **Joint service of the ATM network between Krung Thai Bank and BAAC:** The Bank entered into a Memorandum of Cooperation (MOU) with the Bank for Agriculture and Agricultural Cooperatives (BAAC) to jointly develop and enhance financial services to reach the general public through jointly providing ATM network services (White-Label ATM), with a total of more than 12,000 ATM machines nationwide. Customers who have a debit card and an ATM card from both banks can perform withdrawal transactions and inquire about their balances without fees for transactions between banks. The Bank also offers ATM and debit cardholders of the BAAC, including the Village Health Volunteer (VHV) cardholders, Health Volunteer cardholders (HV), and National Institute of Emergency Medicine (NEP) cardholders, the ability to purchase goods and services without a fee through more than 76,000 Krungthai Bank's EDC machines nationwide in the Pracharat Blue Flag shops and general stores, and in stores on the "Tung Ngern" application, as well as being able to withdraw cash from the EDC machines with the banking agents.
- **Paed Riew Easy Card:** The Bank is committed to bringing cutting-edge financial technology and

innovations to continuously improve the quality of life of people in Chachoengsao Province under the concept of “Chachoengsao Smart City, a livable city along with the lifestyles of the Bang Pakong River.” The Bank has developed the “Paed Riew Easy Card”, the identity card of Chachoengsao Province, which is both a debit card and a prepaid card (e-Money) in one card. It can meet all lifestyles, including “Eat-Shop-Travel” and allow Card holders to spend instead of cash in stores or online shops that accept VISA cards and PromptCards. This helps drive Chachoengsao to a cashless society and elevates it to the status of a smart city.

### 3. Health and Wellness

- **Civil Servant Medical Benefit Scheme (CSMBS):** The Bank collaborated with the Comptroller General’s Department in the execution of the Civil Servant Medical Benefit Scheme (CSMBS) for more than 4 million civil servants and their families. The Bank changed the direct healthcare reimbursement system for civil servants and their families as the outpatient from the traditional method of making transactions via EDC machines with their ID card. More than 5,000 EDC machines were installed at more than 1,000 public and private hospitals nationwide. This makes the reimbursement of medical expenses fast, convenient and transparent. In 2021, the government allocated a total budget of 74 billion baht for the Civil Servant Medical Benefit Scheme.
- **Smart Hospital:** The Bank cooperated with hospitals under the Ministry of Public Health in the development of Smart Hospital, which is the enhancement of the country’s public health system as well as becoming the prototypical model for hospitals across the country. The Bank, together with many state hospitals, provided a complete solution by integrating technology with services, for example, self-check-in, automatic physical examination machine and intelligent AI chat bot to help screen patients by using voice control systems. In addition, Telemedicine, which is a treatment guideline consultation, is provided for patients who need to see a medical specialist through a video conference. Other examples of integration of technology and services includes Health Information System (HIE) Blockchain service, a basic database management for exchanging patient information between medical service departments, Self-Payment system that patients can check before payment in real time on the eligibility of medical treatment right, whether from the National Health Security Office (NHSO), the Universal Coverage Scheme (UCS), Social Security Right and Civil Servant Medical Benefit. Besides, patients can choose to pay their medical expenses

by cash, debit card, credit card or scanning a QR code via Krungthai NEXT application and other banks. This increases convenience and reduces risks and complications of hospital’s cash management.

In addition, the Bank has supported the budget for King Mongkut’s Institute of Technology Ladkrabang (KMIL) to build King Mongkut’s Hospital, with the purpose of being a comprehensive research and development center for medical innovations for all Thai people. The Bank is ready to support the operations of KMIL to meet the needs of the invention and development of comprehensive medical innovations, which is the New S-CURVE industry that drives the national economy, as well as constituting the new proactive medical treatments. The institute expects that the construction of the aforementioned hospital will be completed and ready to open by 2024.

- **Health Wallet via Pao Tang Application:** The Bank, in cooperation with the National Health Security Office (NHSO), developed the Krungthai Digital Health Platform to facilitate the gold-card subscribers in health care scheme and people granted with right under the Health Promotion and Disease Prevention (P&P) in accessing healthcare service, which is the government’s medical right granted to Thai people by taking care of their health from birth to the elderly, through Health Wallet on Pao Tang application. People can check the health benefits of the government sector through the Health Wallet on the Pao Tang application 24 hours a day. The service will soon expand to include the reservation of influenza vaccinations for the elderly aged 65 years and older at more than 1,600 hospitals nationwide. The Bank has prepared the system all around by designing the system to support Digital Journey, facilitating the service recipients to check their rights, make appointments, and verify their identity, and increasing the efficiency of the staff’s work through the online dashboard. This enables immediate vaccine management to reduce redundant work. It has a system to manage patient appointments in advance, including tracking the history of vaccinations. This service increases convenience, speed, reduces waiting time at the hospital, saves travel expenses, and helps to reduce the risk of the spread of COVID-19.
- **Thai Ruam Jai, Safe Bangkok” Scheme:** The Bank in cooperation with Bangkok Metropolitan Administration, the National Health Security Office, the Thai Chamber of Commerce, IBM, Hospitals and partner agencies, developed a registration system for COVID-19 vaccination, Thai Ruam Jai, Safe Bangkok” Project, to facilitate registration for people who will receive vaccination against COVID-19 at out-of-hospital



vaccination service points throughout Bangkok. The Bank developed the “Thai Ruamjai, Bangkok is Safe” system to distribute vaccines to people in the Bangkok area thoroughly, conveniently, quickly, transparently, and efficiently. Residents of Bangkok aged between 18 and 59 years, who are not among the 7 groups of people at higher risk, can register for vaccination reservations through various channels, including the Thai Ruamjai website, the “Pao Tang” application, and participating convenience stores.

The performance of the scheme from June 7 to November 15, 2021, showed that more than 2 million people had registered for vaccination and more than 3 million doses of vaccination services were provided. This leads to the opening of a tourism pilot area, or Bangkok Sandbox, which is important to the economy and leads to the opening of the country on November 1, 2021.

- **Register for COVID-19 Antigen Test Kit (ATK) through “Pao Tang”:** The Bank, in collaboration with the National Health Security Office and Bangkok Metropolitan Administration, distributes ATK through various service units such as participating hospitals, clinics and pharmacies. Groups of people at risk and living in Bangkok can login and assess the risks through the “Pao Tang” app, then go and pick up 2 ATK kits at participating clinics and drugstores. In this regard, the results of ATK distribution on the first day (16 September 2021) found that a total of 4,299 people have received ATK test kits, totaling 8,598 sets, of which 4,295 were obtained through the Pao Tang app. In the case of a positive test result, the Pao Tang app will have the option to choose whether to undergo Home Isolation at your current address or return to your hometown. In the case of choosing a current address in Bangkok, such information will be sent into the system and distributed to the clinic located closest to the patient for further follow-up care.

#### 4. Education

- **Student Loan Fund (SLF):** The Bank has been entrusted by the Student Loan Fund to manage student loans since 1996 until present. Krungthai Bank and SLF signed the agreement to procure the Digital Student Loan Fund System (DSL). In an attempt to facilitate students, educational institutions and related persons, the Bank has transforming the operation process into a digital platform, starting from process of applying for loans, considering approvals, as well as increasing efficiency in data management, importing data and important documents related to borrowing to achieve the convenient operations for the fund management, borrowers and guarantors. As a result, this makes the

administrative work of the fund faster and more secure.

Until presently, the SLF has granted loans to more than 5 million students with a loan limit of more than 600,000 million baht. In 2021, the SLF granted an additional loan limit of 40 billion baht for 700,000 borrowers, whereas the Bank had taken part in supporting the SLF’s operation to achieve its goal.

- **Student Loan Fund service via Pao Tang Application:** The Bank cooperated with the Student Loan Fund (SLF) to develop a new channel that can provide a complete range of services to student borrowers. The information regarding the loan i.e., loan remaining balance, accumulated interest, payment due date, latest payment information and loan repayment are available to be checked via Pao Tang Application without fee charged.
- **Smart University:** The Bank has cooperated with universities countrywide in the Smart University Project with the intention to elevate the universities in becoming the smart and cashless universities. The Bank links educational information system with its e-payment system and provides one-stop financial management service through Krungthai Digital Platform such as smart card for students and university staff, Virtual ID used to verify identity instead of student ID card or staff ID card, News & Events of the university, payment for goods and services at stores with QR Code as well as paying for tuition fee. The Bank has installed EDC QR Code machines and Thung Ngern application at various payment points and stores in and around the university campus. The development of University Mobile Application has been launched to facilitate students and staff to access financial services at anywhere, and anytime. This will help increase the management efficiency, reduce time of travel and respond to new lifestyles

In this regard, the Bank extended its cooperation with various universities and educational institutions in 2021, namely Hat Yai University, Chumphae Thai-German Technology College, Rajamangala University of Technology Isan, Bansomdejchaopraya Rajabhat University, etc.

#### 5. Mass Transit

- **Common Ticket:** The Bank cooperated with the Mass Rapid Transit Authority of Thailand (MRT) to issue a Mangmoom Card in September 2018. Presently, the card can be used for travel via MRT Purple and Blue lines and Airport Rail Link. The Bank plans to connect all types of transportation by expanding the Common Ticketing System to other skytrain lines and underground train lines as well as other mass transit systems in the future.

- **Expressway Payment System with EMV Contactless Technology (Europay Mastercard and Visa):** The Bank collaborates with the Expressway Authority of Thailand (EXAT) and Bangkok Expressway and Metro PCL to develop an EMV Contactless expressway payment system as an alternative to toll fee payments. The EMV system will help facilitate the users of the expressway by connecting all payment systems with a single international standard card, both debit and credit cards of all banks with the Contactless symbol. Through the tap-and-pay step, this takes less time than paying tolls with cash quickly and conveniently, reduces congestion in the amount of cars accumulated in front of the checkpoint, as well as lessening the contact with cash during the COVID-19 pandemic.

At present, the EMV Contactless system has been in operation for all 5 routes, namely the Chalem Mahanakorn Expressway (1st Stage Expressway), Si Rat Expressway (2nd Stage Expressway), Si Rat - Outer Ring Road Expressway, The Udon Rattaya Expressway (Bang Pa-in - Pak Kret) and the Kanchanaphisek Expressway (Southern Ring Road). For such payment systems, Krungthai Bank has installed standard electronic data capture (EDC) at all cash payment channels. In addition, the Bank has also introduced the Krungthai Digital Platform to help manage costs, reduce paper use and increase the capacity of cash management of expressway tolls payment effectively.

- **Ferry Payment System with EMV Contactless Technology:** The Bank collaborates with Energy Absolute PCL to develop a payment system for electric passenger boat MINE Smart Ferry, the first Thai electric passenger boat in the country, via electronic contactless system or EMV Contactless. It accepts fare payments via EDC card machines, supports debit cards, VISA and Mastercard credit cards with the Contactless symbol, and HOP cards, which are electronic prepaid cards used to pay fare on electric boats. The Bank expects that this cooperation will help deliver a better public transport experience and enhance the quality of life for Thai people in a sustainable way.
- **Smart Mobility:** The Bank, Chachoengsao Province and Choempol Roongreung Co. Ltd. coordinate to develop Smart Mobility projects under the MOU to upgrade the Eastern Economic Corridor (EEC), especially Chachoengsao province to become a Smart City. The project develops a system to accept cashless fare payment via EMV Contactless system by tapping debit or credit card with Contactless symbol via EDC machines or scanning QR CODE with Krungthai NEXT or other mobile banking of every

bank. In addition, such services also help meet the needs and provide convenience to the public transport operators that provide services since they can check the payment list of each bus via an online system. This will also improve cash management efficiency. In the first phase, 5 20-seater air-conditioned buses are available, covering travel in the city area. After that, the Bank plans to expand the payment system to other public transport service providers such as mini buses and passenger vans, etc.

Infinitas by Krungthai Co. Ltd. (Infinitas), a subsidiary and a company in the Bank's financial business group, has jointly invested with Accenture Solutions Co. Ltd. (Accenture), a leading global technology firm, in establishment of a joint venture company called "Arise by Infinitas" in the ratio of 51% to 49% to support the organization's drive to support changes in various fields quickly, both in terms of financial innovation and human resource development. It focuses on the development of new projects and solutions that will accelerate Krungthai Bank's ability to digitize various operational processes and adapt to the Cloud-Centric Model faster. This is the foundation of long-term growth in Thailand and the region of the Bank. Arise by Infinitas will close the gap in human development. It is a target organization that the new generation, including digital talents, would like to work with. This will help strengthen digital capabilities for Krungthai Bank Group and provide support for long-term growth in accordance with the Bank's digital business plan in Thailand and abroad. The experience and network of Accenture as a principal partner in Arise by Infinitas will enable the Bank to have a world-class standard for managing IT resources while attracting digital talents to be recruited. In addition, the Bank will be able to leverage Accenture's strengths in accessing the trend of future skills that must be created to support new technologies and ensure that Arise by Infinitas' personnel have the same potential as world-class organizations and enough to deliver results that have an impact on the bank group and Thailand.

In this regard, by driving the organization according to a clear strategy, currently, there are more than 13 million users of the Krungthai NEXT application, the Bank's mobile banking, more than 33 million users of the open platform Pao Tang application, more than 1.5 million stores on the Tung Ngern payment application, more than 13.6 million state welfare cardholders, more than 5 million borrowers from the Student Loan Fund (SLF), and more than 4 million civil servant medical welfare cardholders. All of these make Krungthai Bank have a strong customer base and more than 50% of the entire Thai population uses the Bank's financial products and services. It resulted in driving the Bank to become the leader in digital banking in the country, currently being the largest digital platform provider in Thailand. As a result, the Bank has been given an opportunity to expand its business through such projects by direct assessment of customer needs using big data, effectively supporting the business expansion of the Bank's target customers while reducing



operating costs and generating sustainable income for the Bank.

### **The Bank Directions, Plans and Key Projects in 2022 (Forward Looking)**

The various challenges and risk factors that have put pressure on the growth of the banking sector, namely the increasing role of technology, implementations of new technologies such as AI, Blockchain, and DeFi, which may cause intermediaries, including banks, to gradually diminish their role and importance, rapidly changing consumer behaviors, uncertainty in controlling the COVID-19 pandemic, and the economic recovery in the form of K Shape Recovery, as well as the trend of increasing emphasis on ESG. It has resulted in the Bank facing enormous challenges and needing to adjust itself all the time to be able to respond to the changes in many matters that affect business operations both now and in the future.

Due to the environment and challenges in business operations, for the year 2022, Krungthai Bank will continue to focus on driving business with parallel strategies or 2 banking models in order to expand the Bank's growth through 2 key business models: carrier and speedboat. The Bank will continue to operate the business according to the 5 Execution Pillars plan under the concept of "Courage to Change". It focuses on the implementation of the said action plan to be deeper, faster, and more suitable for the situation both in terms of sustaining the growth of the existing core business for continuous and efficient growth, creating a new business model, changing the way of working and bringing new processes to be applied as a paperless organization, and extending business from business partners of customers with the strategy of X2G2X that is linked by the efficiency of technology (Digital Supply Chain), including working together and coordinating business operations both in the Bank and companies within the Bank's business group in the form of One Krungthai, and being ready to openly cooperate with all alliances, both public and private agencies, to develop products and services in the form of "Total Solutions" to cover all activities in the lives of customers to meet the needs of customers on the spot to make them have a better life thoroughly and sustainably. This will lead to upgrading the Bank's competitiveness to be ahead of its competitors to create sustainable revenue growth and returns in the future (Krungthai Sustainability).

The Bank's business plan in 2022 will focus on the following matters:

1. The core business continues to grow steadily and efficiently. The bank continues to focus on microfinance lending to cover all types of needs. Paying more attention to online lending including loans that help adjust the business model and adjust the production process. For small to large businesses in growing industries and in line with the New Economy era, reasonable risks and rewards. The goal is to maintain the coverage ratio level at a high level from the COVID-19 situation. that are still uncertain and NPL problems that may arise in the future.
2. The Bank adjusts internal processes to process digitalization. It has invested in IT infrastructure and digitalization. continually in parallel to maintaining the cost-to-income ratio at the same level due to higher efficiency of IT systems, workflow adjustments, and determination of reasonable employee expenses, including increasing the productivity of employees.
3. The Bank finds new business opportunities through Infinitas by Krungthai, which focuses on providing innovation and digital platform development services according to the speedboat strategy, and on creating a digital platform that meets business needs in the New Normal era and supports the changing behavior of Thai people by developing the "Pao Tang" application to be Thailand Open Digital Platform to make it easy for all citizens to access financial services through digital systems that are convenient, thorough, and equal. It aims to create a digital platform for the country (Thailand Digital Platform) for Thai people and improve the quality of life of Thai people and the country through the "Pao Tang" application as the main body that will be more than just providing financial services (Beyond Banking) and can fully meet the needs of customers. In addition, the Bank places importance on expanding its business through government projects and financial infrastructure, which the Bank participates in through the extension of business from customer partners (X2G2X), starting from its main customers, namely the government, connecting to the business sector, which is the customers' partners in the supply chain, which are connected by the efficiency of the Krungthai Business Platform's technology through collaboration (Synergy) both within the Bank, companies within the Bank's business group, and all partners, both public and private agencies, to enhance the platform's potential and enable the Bank to offer various financial services that truly meet every need.
4. The Bank enhances the development of digital human resources with expertise and diversity. The Bank promotes skill development and empowers employees with new knowledge (Upskill/Reskill) to build skills necessary and suitable to drive the Bank's business. It seeks to establish an organizational culture based on the principle of "One united goal as an F1 Team" with an out-of-the-box thinking style that requires speed, experience, integration, agility, reliability, accuracy, and security. Moreover, the Bank is collaborating with leading global partners to develop digital human resources, for example, with Accenture to form Arise by Infinitas to enhance its digital and technology capabilities and resources

to jointly create opportunities to become a leading technology company in the region and the world.

5. The Bank bases its operations on transparency and long-term viability .It adheres to good corporate governance principles, emphasizing zero tolerance, including environmental, social, and governance (ESG) principles in business operations and supports the implementation of various activities or projects to take care of the Thai people, economy, society, and environment.

The Bank expects that the implementation of the said strategic plan will help drive the Thailand 4.0 policy towards a cashless society, accessibility to financial services, and creating financial equality for Thai people. Krungthai Bank is committed to helping improve people's well-being and quality of life through the Thailand Open Digital Platform. The Bank also supports the business operations of business customers in potential industries and new target industries, leading to sustainable development. This will build the Bank's competitiveness in digital banking, support its role as a pillar in driving the economy, and enhance the country's competitiveness, as well as build public trust with the Bank in line with the vision and mission that focus on improving the well-being and quality of life of Thai people to support the continuous growth, stability, and sustainability of the Bank.

### 1.1.2 Major Changes and Developments

Krungthai Bank was established on March 14, 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 percent 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 percent. 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 (1942), acquired to hold 38.09 percent 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 of Shareholders 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) had 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 percent 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 increasing, FIDF still retained its status as the major shareholding of the Bank accounting for 55.05 percent of the Bank's total shares as at December 31, 2012.

As a company listed on the Stock Exchange of Thailand, on August 2, 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 public limited company on March 24, 1994 under the name "Krung Thai 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 percent 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 (1942) as amended by the Bank of Thailand Act (No. 4) B.E. 2551 (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 percent 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 given 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 percent of the Bank's capital share are held by the Financial Institutions Development Fund (FIDF), the Bank is still considered as state commercial bank, which more than 50 percent 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 (1992) and the Financial Institutions Businesses Act B.E. 2550 (2007) (and its amendments). Henceforth, the Bank still operates its business as commercial bank and is continue 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 (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 deposit money with the Bank continually.

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 percent of the shares held by government agency.

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 percent of its shares, and still plays an important role in supporting government policies as discussed above.

Hence, in 2021, the Council of State has 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 (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 percent 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 (1975) and the state Enterprise Labor Relations Act B.E. 2543 (2000).

- The Bank is a public limited company in which the Ministry of Finance holds 0.000022 percent of the paid-up capital, therefore this is less than 50 percent as specified in (2) the definition of state enterprise under the 'Development of Supervision and Management of State Enterprises Act, B.E. 2562 (2019)

- The Financial Institutions Development Fund is "other state agency" under Section 4 of the Public-Private Partnership Act.

When FIDF held more than 50 percent 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 (2019),

Furthermore, in 2021, various agencies have commented on the status of Krungthai Bank under the laws that are in the supervision of those agencies as follows:

- 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 (1990) and the Workmen's Compensation Act B.E. 2537 (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 (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 Positions for which the Account of Assets and Liabilities shall be Submitted under Sections 102 B.E. 2561 (2018), (2) Notification of the NACC Re: Prescribing the State Officers Positions Prohibited from Undertaking Any Act under Section 126 B.E. 2563 (2020), and (3) the NACC Re: Prescribing the Positions Prohibited from Undertaking Any Act under Section 127 B.E. 2563 (2020).

- The Office of the Attorney General considers that, when the FIDF is a government agency under section 5 of the Bank of Thailand Act B.E. 2542, therefore, the fact that the FIDF, which is a government agency, holding more than 50 percent 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 (2010). Hence, the Office of the Attorney General thus continue to provide assistance in litigation to Krungthai Bank.

- According to the registrar announcement of the State Enterprise Labour Relations Act, B.E. 2543 (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, even the FIDF holds shares in the Bank more than 50 percent 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, ended on March 12, 2021. Though, the registrar under the Labor Relations Act B.E. 2518 (1975) has been registered for the Krungthai Bank Labor Union according to the Labor Relations Act B.E. 2518 on April 9, 2021.

In this regard, if there is any interpretation in terms of the Bank's status as under other laws, the Bank will inform an update correspondingly.

## 1.2 Business Operation

### 1.2.1 Income Structure

Main income structure of the Bank: Comparison between 2019-2021

Unit : Million Baht

Financial Statement (consolidated)	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Interbank and money market items	2,954	2.5	3,594	2.9	7,113	5.7
Investments and trading transactions	345	0.3	435	0.4	482	0.4
Investments in debt securities	3,437	3.0	4,251	3.5	4,943	3.9
Loans to customers	97,932	84.6	104,307	85.3	109,784	87.4
Hire purchase and financial leases	104	0.1	184	0.1	428	0.3
Others	60	0.1	66	0.1	221	0.2
Total Interest income	104,832	90.6	112,837	92.3	122,971	97.9
Deposits	10,302	8.9	13,765	11.3	17,861	14.2
Interbank and money market items	1,607	1.4	1,860	1.5	2,532	2.0
Contributions to BOT and Deposit Protection Agency	6,145	5.3	5,687	4.6	9,978	7.9
Debt issued and borrowings	3,327	2.9	3,080	2.5	4,085	3.3
Others	79	0.1	102	0.1	199	0.2
Total Interest expenses	21,460	18.6	24,494	20.0	34,655	27.6
Interest income, net	83,372	72.0	88,343	72.3	88,316	70.3
Fees and service income	28,310	24.5	27,690	22.7	29,596	23.6
Fees and service expenses	8,288	7.2	7,162	5.9	6,359	5.1
Fees and service income, net	20,022	17.3	20,528	16.8	23,237	18.5
Gains (losses) on financial instruments measured at fair value through profit or loss	3,467	3.0	3,134	2.5	N/A	N/A
Gains on tradings and foreign exchange transactions, net	-	-	-	-	3,197	2.5
Gains on investments, net	711	0.6	951	0.8	4,372	3.5
Share of profit from investments accounted for under equity method	1,046	0.9	2,060	1.7	1,425	1.1
Dividend income	379	0.3	376	0.3	496	0.4
Other operating income	6,789	5.9	6,856	5.6	4,615	3.7
Total Non-Interest Income	32,414	28.0	33,905	27.7	37,342	29.7
Total income, net	115,786	100.0	122,248	100.0	125,658	100.0



## 1.2.2 Core Business Operations

### 1.2.2.1 Retail Customers

#### Personal Loan

The Bank focuses on developing products based on the needs of customers. The main products are as follows:

(1) Krungthai Thanawat Loan is a revolving loan for customers who have a payroll account with the Bank to spend during times of need. It is comfortable and always popular. The main customer groups are government and state enterprise officers, including potential private company employees.

(2) All-Purpose Loan is a term loan for spending based on the needs of customers. The main customers are personnel of government agencies, state enterprises, and private companies. It is offered as a welfare program and not as a welfare program with the original organizations of customers. In addition, there are loans for government pensioners and company pensioners who are required to have a certificate of right in the inherited pension as collateral for the loan.

(3) Loan for local and international studies is offered to students. This product is in line with the students' curriculum of the present-day educational institutions, which includes international programs for all levels of education.

(4) Krungthai Home Easy Cash is a loan with a mortgage as collateral for persons with regular income and customers with private company income.

(5) Krungthai Smart Money Loan (or Krungthai Jai Pum Loan) is the non-collateral loan for various consumer purposes. It is offered to both customers with regular income and general small retailers through Bank branches and the Krungthai NEXT application.

(6) Krungthai Loan Give 5 (or Krungthai Pay-De Loan) is the non-collateral loan consisting of Multi-Purpose Loan 5 Plus (Term Loan) and Krungthai Thanawat Loan 5 Plus (Revolving Loan) to support private employees who have the payroll account with Krungthai Bank. Customers can apply through Bank branches and the Krungthai NEXT application, which has added the service of Multi-Purpose Loan 5 Plus.

(7) Krungthai Jaidee Loan is the revolving loan with no collateral designed to help customers with fixed incomes who have a payroll account with Krungthai Bank. The loan service has been available through the Krungthai NEXT application since 2021.

(8) Sib Muen Loan is an unsecured term loan designed to support Thung Ngerm merchants through the Krungthai NEXT application, which began to provide this service in 2021.

(9) Housing Loan is a loan for the purchase of land with buildings, for the purchase of land and building a house, for building a house, or for redeeming a mortgage of land and buildings from other financial institutions or financial organizations for the purpose of living. It has a wide range of products according to target groups, consisting of customers who buy a house from leading real estate developers, including private company employees, self-employed persons, special occupation groups, government officials, and state enterprise employees. There are

also consumer loans using a house as collateral called "Home for Cash Loan" to purchase consumer goods or to renovate or repair a home, or to pay for life insurance premiums.

The Bank has continued to organize promotional activities by participating in various financial fairs. It has also provided assistance to customers affected by the COVID-19 pandemic with a variety of approaches to suit customers, such as debt/principal moratoriums, reducing installment payments, etc., in order to alleviate the suffering of customers.

### 1.2.2.2 Small Business

#### Small Business Loans

Small Business Loans (sSME) for retail customers with total sale volume of not more than Baht 100 million per year and the credit line in total of not more than Baht 20 million. The products have been continually adjusted to meet the needs of customers.

In 2021, the Bank continued to provide loans to small businesses from the previous year, such as Krungthai sSME Smart Shop loan for users of the applications "Thung Ngerm" and "Pao Tang", Krungthai sSME EEC 4.0 loan according to the National strategy Thailand 4.0, Krungthai sSME loan, tourism and continuous business, Krungthai sSME Supply Chain Financing loan to extend the Bank's customers' loans to their partners and the Employment Promotion Loan Program, Phase 2 (2020—2021) in cooperation with the Social Security Office (SSO) to offer low interest rates to enhance liquidity for businesses.

Moreover, the Bank has provided assistance to small businesses affected by the COVID-19 pandemic through financial rehabilitation measures (Special Loan) and measures on transferring customers' collateral as repayment (Asset Warehousing Scheme) to assist entrepreneurs to be able to recover and continue their business.

### 1.2.2.3 Medium Enterprise Customers

#### Medium Enterprises Loans

Medium Enterprises Loans for customers with a total credit line of over Baht 20 million but not more than Baht 500 million. Small and medium enterprises (SMEs) play an essential role in the economy of the country. As a result, the Bank offers services to SMEs in a variety of industries: manufacturing, service, wholesale, retail, agriculture, and import and export and categorizes services based on the nature of the business, such as government construction business, apartment business, tourism business, agro-processing industry, and health and medical businesses, etc.

In addition to various forms of general loans, the Bank also supports investment or green lending to potential SMEs so that they can grow in the changing world under the BCG economy model, such as Environment Loans for Private Sector, SMEs Loans for Energy and Environment Conservation, KTB-Green Loan, Environment Fund, Energy Efficiency Financing Scheme, Phase 6 (DEDE), SME-Innovation and KTB Private Equity Trust, etc.

Due to the spread of COVID-19, the Bank has continuously implemented measures to help alleviate suffering and reduce the financial burden for customers affected by the disease via easing debt repayment conditions and increasing business liquidity with soft loans to reduce the impact on employment

and rehabilitate businesses, including providing asset warehousing scheme to temporarily reduce the financial burden during the business rehabilitation period for potential business customers. In particular, these customers shall pledge their assets as collateral by transferring asset as the debt payment and acquiring the right to buy back the property in the future.

In addition, the Bank in collaboration with the Social Security Office (SSO) under the Employment Promotion Program Scheme, Phase 2 (2020–2021), offers low-interest loans to fund working capital and to maintain continuous employment, and in collaboration with the Office of SME Promotion (OSMEP) and 7 commercial banks, to support the notification of privileges in registration of procurement with OSMEP, including publicizing measures to help customers, namely both Loan for Government and State Enterprise and Factoring Loan, to provide funding to SMEs for the opportunity to access the government procurement market.

### 1.2.2.4 Corporate Customers

#### Corporate Loans

The Bank categorizes corporate loans into 2 groups:

1. Corporate customers with total sale volume of more than Baht 1,000 million and credit line of over Baht 500 million: The Bank provides loans and integrated financial solutions to meet the full range of needs by industry, namely the agricultural business, construction and property development business, service business and industrial business; and

2. Mega-corporate customers that require complicated financial services: The Bank provides total solution financial services that meet our customers' loan and investment demands as well as preventing various risks concerning the financial structure, marketing, foreign exchange, and fluctuations in prices of goods and raw materials because of the fast-pace and unstable conditions of the economy, finance, and customer behaviors.

The Bank continues to focus on providing the following services for those 2 corporate customer groups:

- Expanding customer base in potential industries, new target industries for innovation, government investment schemes, and the Eastern Economic Corridor (EEC) development scheme by offering solutions for each industry and taking part in driving the economy and enhancing the country's competitiveness
- Creating added value and providing holistic supply chain services, combined with a digital platform that connects customers and related business partners or expanding businesses to make the services more convenient and reduce duplication of the transaction review process by using technology
- Increasing the number of customers who use the Bank's main operating accounts by focusing on financial services that meet their needs, including improving conditions and internal work processes
- Supporting corporate customers to expand business to foreign countries, especially Asia-Pacific countries and CLMV countries
- Supporting corporate customers to invest or operate businesses that lead to sustainable development as well as

operations that fall under BCG (Bio-Circular-Green) or ESG by taking into account environmental, social, and good governance impacts

- Continuously developing personnel's potential and adjusting internal work processes with regard to customer-centric to deliver a good experience to customers

In 2021, various business sectors, including corporate customers, were affected by the prolonged COVID-19 pandemic since 2020. The Bank has provided continuous assistance to our customers in accordance with the Bank of Thailand's policy by providing appropriate assistance for each customer, such as debt moratorium, extension of the debt repayment period, easing debt repayment conditions, and asset warehousing scheme, including reducing interest and offering loan support as needed to help customers continue their business.

Moreover, the Bank has supported the growth of customers who expand their business potential through international trade and investment in this region, as well as expanding the Bank's local customer base at overseas through 6 foreign branches and 1 representative office, namely the Phnom Penh branch, Siem Reap sub-branch, Vientiane branch, Singapore branch, Kunming branch, and Yangon representative office.

### 1.2.2.5 Government and State Enterprise Customers

#### Government and State Enterprise Loans

The Bank offered loans for government agencies that are large customer base and have low risk as follows:

1. Government and State Enterprise Loans: Its purpose is to support government policies and state-owned enterprise activities. Short-term and long-term loans are available, depending on the objectives of government agencies and state-owned enterprises.
2. Loans that the Bank has cooperated with the government to support the private sector include Environment Loan (Ministry of Natural Resources and Environment), Revolving Loan for Energy Conservation (Ministry of Energy), SME-Innovation scheme of the National Innovation Agency, Development and Research Loans scheme for SMEs of the National Science and Technology Development Agency (NSTDA), soft loan to help SMEs affected by the COVID-19 pandemic, soft loan for Thailand tourism recovery, Transformation Loan (Soft loan to modify machines in cooperation with Ministry of Industry, Ministry of Finance and Government Savings Bank), TCG's soft loan scheme to help SMEs who lack collateral to access to the Bank's loans, the Bank of Thailand's financial rehabilitation measures, asset warehousing scheme, and the Social Security Office's Employment Loan scheme.

To improve the quality of life for officers of government agencies, state enterprises, and other government agencies, the Bank has also cooperated with the government sector to provide loans at special interest rates for officers with payroll through the Bank and loan deductions from payroll account, i.e. housing loans, multi-purpose loans (including for pensioners), Krungthai Thanawat Loans, and loans for members of the Government Pension Fund (GPF) that are part of personal loans.

### 1.2.2.6 Financial Management

#### Cash Management

The Bank focuses on a wide range of financial management services to facilitate all customer groups, both government agencies and the private sector, consisting of large enterprises, medium-sized businesses, and small entrepreneurs. Four main services are provided, namely: collection service, payment service, liquidity service, and information service.

#### Corporate Credit Product

The Bank provides credit services to all business customers to support capital for business operations and liquidity management. It provides three main services, namely supply chain financing, factoring, and letters of guarantee and other credit products.

#### International Trade Product

The Bank offers comprehensive and completed international trade business services for all business customer groups. The main services are as follows:

1. **International Funds Transfer Services:** These international-standard services are available through branches and Krungthai Corporate Online. Status can be tracked 24 hours a day. There is also an international fund transfer service from a foreign currency account (FCD) via online channels.

2. **Export Services:** The services are designed to assist exporting businesses from various sectors. In 2021, export customers were affected by COVID-19 pandemic due to the suspension of document delivery and the delay in goods export from the country's lockdown, causing delays in receiving payments from business partners. Therefore, the Bank provided funding assistance to support the businesses in order to help them overcome the crisis.

3. **Import Services:** The Bank provides international business services to support a wide range of imports to support the expansion of ever-changing businesses based on the needs of customers.

In 2021, the Bank has developed financial management projects/products and services to support government schemes and respond to the needs of private customers as follows:

- **Digital Supply Chain Financing Scheme** is an extension of various government schemes where the Bank participates in taking measures to help various merchants participating in the schemes, such as Pracharat Shops, Chim Shop Chai (Taste-Shop-Spend), and Khon La Khrueng (Half-Half co-payment) in order to further strengthen these merchants and provide them with easier access to funding without the requirement of collateral or documents in applying for a loan by considering buying-selling data between participating merchants and distributors. This project focuses on SME customers and micro-shops. During the COVID-19 situation, the Bank offers a Khukha Pha Ruey Loan that encourages small and retail merchants who purchase products from participating distributors in order to access the Bank's funding more easily by refraining from considering other income and expense documents of customers. In addition, in 2021, the Bank had a new loan offered to the suppliers who sell products to the distributors or sponsors

participating in the scheme in an attempt to expand the supply chain for customers' businesses more comprehensively.

- **Smart Financial Payment and Infrastructure Scheme:** The Bank has participated in various schemes under the country's Payment Systems Roadmap to create an infrastructure in line with ISO 20022 standards to upgrade payment services and e-Tax Invoice & e-Receipt services. The scheme focuses on getting entrepreneurs to change trade documents from paper to electronic files in order that the information can be implemented with other extended services, help increase the efficiency of business operations, and being supportive information in the consideration for credit granting to entrepreneurs. The operation is divided into two parts as follows:

- o **Track 1 Trade and Payment:** The Bank is involved in defining the main types of services to be provided. By mainly adhering to the interests of business operators, this is one of the schemes that extends from the Bank's X2G2X strategic plan, which will be launched for pilot entrepreneurs in the fourth quarter of 2022.

- o **Track 2 Digital Supply Chain Finance:** The Bank, in collaboration with the Thai Bankers Association, the Bank of Thailand, the Federation of Thai Industries, and the Board of Trade of Thailand, including the government sector, grants credit to SME entrepreneurs based on digital trade information. It acts as an intermediary for major buyers and their suppliers to help the business sector become more competitive and sustainable. This demonstrates the banking sector's commitment to responsible and transparent lending.

- **Krungthai Digital Health Platform Scheme:** The Bank developed the Krungthai Digital Health Platform for the National Health Security Office (NHSO) to provide a "PP Disruptive Model" to support the reduction of morbidity rates from preventable diseases, enabling people to have a better quality of life and longer lives, helping reduce the country's burden of health expenditure. All Thai people are entitled to this right according to gender and age. It consists of three systems through which both information and systems are linked as follows:

- o Pao Tang application: Health Wallet menu for users' registration to check their rights and use the benefits from the service units

- o Hospital Portal System for NHSO staff to verify information and approve claims for service units' service expenses, as well as recording service units' service results and submitting expense claims to the NHSO.

- o Krungthai Corporate Online System for the NHSO to approve and transfer the cost to the service units

In 2021, the Bank expanded the use of the Krungthai Digital Health Platform by providing an "Influenza Vaccination" service through more than 1,600 public and private health service agencies of the NHSO across the country. Eligible citizens can book an appointment and verify their identity through the Health Wallet menu on the Pao Tang application, which has a quota of more than 6 million flu vaccines. We also offered our services on the Krungthai Digital Health Platform to other activities of the



NHSO, including enabling Thai citizens to give their consent to disclose information about their medical history for checking their medical history through the Health Wallet menu. The citizens can be treated in any hospital participating in the Health Information Exchange (HIE) scheme, which is a joint operation with the Ministry of Digital Economy and Society (MDES) and the Ministry of Public Health (MOPH). According to the plan of the Ministry of Public Health, 100 hospitals will participate in the HIE scheme.

In addition, the Bank has contributed to the implementation of the national agenda in accordance with the government policy to speed up vaccination services to people in various groups in order to alleviate the problem of the “COVID-19” pandemic. The Bangkok Metropolitan Administration collaborated with various network partners in the “Thai Ruam Jai Safe Bangkok” scheme, establishing 25 out-of-hospital vaccination service stations in various parts of Bangkok, 45 service units for insured persons under Section 33 of the Social Security Office (SSO) in Bangkok and 18 service units in provincial areas. The total vaccination service units are more than 129 points across the country, which opened for service from June to November 2021. In this scheme, the Bank has helped develop a system for reservations through the “Thai Ruamjai Safe Bangkok” system through the website and the Pao Tang mobile application. We also worked with the NHSO to enhance the hospital portal system to be an operating system and a channel to link the service information of the service units to the Information Center of the Ministry of Public Health in a complete and quick manner. Moreover, the Thonburi Hospital Group, which is one of the hospitals that provides the vaccination service, has asked the Bank to develop the platform for vaccination registration. Therefore, the Bank has continued to further develop the platform based on the “Thai Ruam Jai” scheme in the form of end-to-end processes, namely vaccine booking, vaccination appointment, payments, and vaccination data registration. This is another extension of the Bank’s Health Platform, which has been developed to provide hospitals that have alternative vaccines for service.

Besides, the Bank has also helped solving the problems due to the COVID-19 situation through the NHSO’s free antigen test kits (ATKs) scheme, by distributing 8.5 million pieces of ATK set free of charge to at-risk groups for all treatment rights (gold card, social security, civil servant welfare cardholders) so that people can test for COVID-19 themselves. This scheme helps prevent and control disease as they know quickly, cure quickly and reduce the spread of COVID-19. People can register for ATKs through the Pao Tang mobile application and do an assessment before acquiring the ATKs. ATKs are available at more than 10,000 NHSO service units nationwide. The service units will use the Tung Ngern application to confirm the distribution of ATKs to registered people.

- **The Treasury E-Auction Scheme:** The Bank provides an online auction system through the website in order that the Treasury Department reaches more target groups in the new normal era. In 2021, the Treasury Department activated this online

auction system twice, with more than 830 bidders, and successfully sold more than 230 auctioned items, generating income for the government of up to Baht 600 million.

- **Major schemes of mass transit systems:** Expressway payments with EMV contactless debit and credit cards, the Expressway Authority of Thailand (EXAT) and Bangkok Expressway and Metro Public Company Limited (BEM) opened five routes for service in 2021, namely the Kanchanapisek Road (Bang Phli-Suksawat), Udon Ratthaya Road, Chalem Mahanakorn Road, Si Rat - Outer Ring Road, and Si Rat Expressway (Second Stage Expressway). The other 2 routes will be open for service in 2022, namely the Chalong Rat Road and the Burapha Witthi Road. The Bank also planned to provide services and develop a fare payment system with EMV contactless debit and credit cards for the SRT Red Line (the Bang Sue-Rangsit section and the Bang Sue-Taling Chan section), which will open in early 2022. Furthermore, the Bank planned to cooperate with the State Railway of Thailand (SRT) and the Bangkok Mass Transit Organization (BMTA) in issuing the joint-prepaid flat-rate cards for paying fares for buses and the SRT Red Line (the Bang Sue-Rangsit section and the Bang Sue-Taling Chan section), which will open in early 2022 respectively. In the meantime, there is also an installation of the payment system for the electric ferry boat service “MINE Smart Ferry” through 108 EDC machines to E Smart Transport Co., Ltd. to receive passengers’ fare payments, including issuing 3,000 HOP cards, to accommodate passengers without debit cards or credit cards, using as the contactless types. Besides, the Bank has a scheme of toll-gate payments (M-Flow) in collaboration with the Department of Highways to apply technology to read license plates with an RFID system and collect toll fees later. The toll fee can be paid with both QR Crossbank Fast Pay and Direct Debit.

- **Smart City Scheme:** The Bank has signed a Memorandum of Understanding (MOU) to upgrade Chachoengsao Province to be a Smart City by bringing modern technology and financial innovations to improve the quality of life of people in Chachoengsao Province through the development plan in five main areas as follows:

- o **Smart Economy:** The Bank provides digital payment services to 2,200 participating merchants via QR Code scanning to restore the community economy to sustainable growth.

- o **Smart Mobility:** In 2021, the Bank cooperated with Chumphon Rungrueng Co., Ltd. to develop a cashless fare payment system or EMV contactless system via Krungthai EDC machines by tapping debit or credit cards with contactless symbol or scanning QR CODE via Krungthai NEXT application or all banks’ mobile banking to facilitate convenience to public transport operators and increase the efficiency of cash management.

- o **Smart People:** The Bank developed the University application for Rajabhat Rajanagarindra University to connect the university’s information system with the Bank’s digital transaction system to support all lifestyles and activities of students, lecturers, and staff with the all-round service.

- o **Smart Living:** The Bank developed the Health Wallet on the Pao Tang application in partnership with the National Health Security Office (NHSO) to give everyone from birth to the elderly access to basic health services.

- o **Smart Governance:** The Bank contributed to government agencies' efficiency of work systems, reduction of procedures, increase in speed, transparency, and accountability, causing good governance by connecting data to government agencies, such as the e-Police Station Scheme, in which people can check online traffic tickets and pay traffic fines through the Bank's channels, the Digital Court Scheme (e-Filing) to file complaints via the Court of Justice's online system, with service fee payment system, and the Local Tax Collection Scheme, etc.

- **Krungthai Business Scheme:** The Bank developed the New Corporate Portal (Krungthai Business) Scheme to become a digital platform with more modern technology. It is able to support financial services to cover the needs of more business customers in the future by supporting the use of multi-platform: computers, tablets, and mobile phones. In 2021, the Bank offered the Krungthai Business system to small and medium-sized enterprises (SMEs). This makes it easier for entrepreneurs to transfer money, payroll, and payments to domestic and international partners, as well as order checkbooks through the system from anywhere, at any time, and support the use of a variety of devices via the internet, encouraging business customers to do more transactions through electronic channels.

- **AIS Point Pay Scheme:** The Bank in cooperation with Advanced Info Service Plc. (AIS) launched the Point Pay Scheme to help small shops across the country be able to sell more products. More than 43.2 million AIS customers can use AIS points to pay for goods instead of cash at 1.5 million shops using the Tung Ngern application. In the first phase, this scheme will be piloted with 45,000 food and beverage stores in 15 provinces before expanding to be used in more stores. The scheme aims to have more than 700,000 stores on the Tung Ngern application nationwide to participate in. This scheme will help stimulate sales in small shops in various communities.

- **Customs Trader Portal Scheme:** The Bank in collaboration with the Customs Department, uses technology and innovation to support and drive the government and the Ministry of Finance's policies continuously to increase operational efficiency and facilitate people's access to government agencies' services more easily. It is ready to extend the services to the people, including their business partners or alliances with government agencies, according to the X2G2X strategy in developing the Customs Trader Portal service to increase convenience and flexibility for importers and exporters. Customs brokers and shipping agents can register or renew their registrations with the Customs Department at any time. The Bank employs an electronic identity verification system (e-KYC) that verifies users' identities via the Pao Tang application, resulting in more accurate and secure personal information. In addition, the registration system will be expanded to include the group of

import-export operators, as well as the renewal of custom brokers and shipping agents under the legal entity category.

The Bank is ready to support the development of innovations to enhance the services of the Customs Department and increase efficiency in the door-to-door one-stop service delivery process for importers by integrating issuing services into one place. This helps customs brokers manage their operations effectively, and the importers can wait to receive the goods safely at home. It is ready to connect to the Bank's payment system and digital evidence collection system, and track the status of imports and shipping.

Furthermore, the Bank acts as an intermediary in sharing Customs e-Receipt on Blockchain between the 3 tax departments in order to reduce paper documents and create a digital trade platform to completely meet the needs of international trade businesses through digitally connecting government services seamlessly to provide better services to people and business groups.

- **Schemes Related to International Financial Services**

The Bank creates international business products and services with a focus on Total Digital Solutions to emphasize flexibility, convenience and speed, as well as the ability to track transactions across all channels.

- o **Krungthai Trade Online:** Trade Finance for main products of import and export business. No documents are required to be submitted to the Bank. It provides outstanding report and activity report.

- o **Business FCD Online for business customers:** Entrepreneurs can manage their own accounts and transfer transactions to other accounts within Krungthai Bank or other banks without having to make transactions at branches. There is no additional charge for using the online service.

- o **Bank Guarantee for ASEAN Customs Transit System (ACTS):** The Bank, together with the Customs Department, provides a service of issuing letters of guarantee for cross-border shipments instead of using cash, which is an electronic customs system that supports the implementation of the ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT), whereby the Bank is the sole counterparty.

### 1.2.2.7 Global Market Services

#### Global Market Products

**Investment Solutions:** The Bank offers fundraising and financial risk management consulting to increase profitability, including: trading in government bonds and corporate bonds, Ultra High Net Worth (UHNW), derivatives based on market variables, i.e. interest rates, exchange rates, bond prices, equity prices, and commodity prices, such as currency options, interest rate swaps (IRS), cross currency interest rate swaps (CCIRS), interest rate options, bond forwards, and commodity swaps, structured debentures or derivative notes, such as equity linked notes and foreign exchange linked notes. This includes providing financial consulting to customers and offering appropriate financial products to each of them. The Bank is a leader in providing such

services and introducing innovative products to the market. There are four main customer groups, namely large corporates and small and medium-sized businesses (SMEs), government agencies and state enterprise customers, financial institutions, and large individual customers. Before offering a solution, there is an analysis of client suitability and appropriateness in accordance with the regulations of the BOT and the SEC in order to make transactions suitable for customers and make the customers understand the transactions and the risks involved.

The Bank emphasizes providing knowledge, advice, and feedback and helping to solve problems for customers to hedge foreign exchange risks effectively. The Bank has added a channel to provide foreign exchange trading services via the internet (Krungthai Smart FX) to give customers more flexibility in managing foreign exchange risks.

#### Investment banking and debt instrument business product

The Bank provides a variety of services to satisfy various needs, including financial consulting, adding value to the business, fundraising, and credit rating, as well as suggesting plans that are suitable for the competitive environment in the industry, interest directions, exchange rate, and economic conditions in the country and abroad. Debt and equity capital market services are divided into 3 types: arranging and underwriting, financial advisor, and selling agent, and are available at bank branches network and via electronic systems.

Although the COVID-19 pandemic continues until 2021, which affects the economic conditions and funding of various sectors, the value of bond and equity issuance in Thailand increased significantly from the previous year. In this regard, the Bank has joined to offer fixed income instruments and underwriting services for both short-term and long-term bonds for state-enterprises and the private sector, including real estate investment trusts (REITs), and is a common stock dealer, all of which were successful.

In addition, in 2021, the Bank introduced new innovations to the Thai capital market by developing the Thailand Open Digital Platform via the “Pao Tang” application for investing in corporate bonds using a fully digital wallet for the first time. This increases the ability to manage corporate bonds for maximum efficiency for investors. The Bank has also been entrusted with being the underwriter of digital bonds for PTT Exploration and Production PCL, which has a bond offering amounting to Baht 6,000 million. It is an offering of digital bonds via wallet for the first time in Asia.

#### 1.2.2.8 Electronic Banking Service

##### Krungthai NEXT Service

The Bank has continuously developed the Krungthai NEXT application to become the Full-scale Digital Banking to support all future financial activities. The Bank has provided new financial features and services in 2021 as follows:

- Krungthai Smart Money Loan for customers with a regular income of 30,000 Baht per month or more.
- Krungthai Jaidee Loan for customers who have a

payroll account with Krungthai Bank and are invited to apply for a loan through Krungthai NEXT or Krungthai Connex. Applicants can apply via Krungthai NEXT within 5 minutes. No documents and a guarantor are required. This loan is a revolving credit reserve, ready to be used up to 100,000 baht. There are no interest if customers do not utilize loan.

- Credit scoring check service in collaboration with National Credit Bureau Co., Ltd. (Credit Bureau) to facilitate customers. Customers will receive a report via email within 24 hours.

- The Bank developed the “Krungthai WARP” service (Krungthai WARP), a service for foreign money transfers with real-time intelligence. Customers can choose to transfer money from both savings account and foreign currency deposit account (FCD) and is the only place that users can choose to transfer from a foreign currency electronic wallet (Inter Wallet) with special exchange rates.

- The Bank has launched the international money transfer service “PromptPay International” by connecting money transfer services between Thailand and Singapore with the world’s first mobile phone number PromptPay system. It makes money transfers to Singapore easy. Transactions can be made in person 24 hours a day, provided that the destination has a mobile phone number registered with Paynow with DBS Bank, UOB Bank and OCBC Bank in Singapore.

- The Bank has provided a QR Cross-Border Payment service to pay for goods and services between Thailand and Singapore through the QR Code system, which is the first bank in the country, by scanning the QR Code of NETS, a major digital payment service provider, covering more than 80% of leading stores across Singapore. Customers at participating banks in Singapore, such as DBS, UOB, and OCBC, can use their respective banks’ applications to scan Thailand’s standard QR Code to pay for goods and services in Thailand.

- The Bank developed Money Connect by Krungthai, a subscription service system, by adjusting the system to be Single Sign-On, enabling immediate subscription for securities such as shares, bonds, real estate investment trusts (REITs) and infrastructure funds (IFF) and making payment by debiting a bank account. It helps customers invest easily in every step. It has no need to send documents, and it reduces travel and avoids touching cash.

#### 1.2.2.9 Krungthai Card PCL.

Krungthai Card PCL (KTC) operates credit card businesses and businesses related to credit card businesses, personal loan businesses, which generates more income from the expansion of the number of cards and receivables portfolios as well as expanding additional businesses, namely Pico Finance business (4 branches available, namely KTC PICO (Chonburi) Co., Ltd., KTC PICO (Pathum Thani) Co., Ltd., KTC PICO (Samut Prakan) Co., Ltd. and KTC Pico (Samut Sakhon) Co., Ltd., Nano Finance Business, car registration loans, including Payment Service Business through KTC Prepaid Co., Ltd.

In 2021, KTC has given importance to the “KTC Pee Berm Loan”, which is a car and motorcycle registration loan to expand the scope of the secured loan business. Moreover, it acquired





75.05% of the common shares of Krungthai Leasing Co., Ltd. ("KTBL"). "KTC car and motorcycle registration loans" are sold through the channels of Krungthai Bank, both branches and online channels, to create opportunities for KTC to become a leader in the integrated consumer finance business.

#### 1.2.2.10 Krungthai Asset Management PCL.

Krungthai Asset Management PCL. provides investment services covering mutual funds, infrastructure funds, real estate funds, provident funds, and private funds through bank branches and the Krungthai NEXT application. The company emphasizes a variety of mutual funds as an alternative to investors, such as domestic and foreign fixed income funds, equity funds, mixed funds (stocks and bonds), and foreign investment funds, focusing on Feeder Funds and Exchange Traded Funds (ETF), etc., with the Bank's supporting the sale and redemption of investment units.

#### 1.2.2.11 Krungthai-AXA Life Insurance PCL.

Krungthai-AXA Life Insurance PCL. offers life insurance for sale through the Bank's channels based on the different requirements of customers, i.e., life insurance, health and critical illness insurance, saving life insurance, retirement insurance, and unit linked insurance, including offering Telehealth services, an online doctor consultation like going to a hospital which provides consulting doctor, prescribing, and sending medicine to home. Meanwhile, for the convenience of the customers, the Smart Saver 15/5 savings life insurance is also available on the Krungthai NEXT application to facilitate customers' purchasing life insurance products by themselves.

#### 1.2.2.12 Krungthai Panich Insurance PCL.

Krungthai Panich Insurance PCL. provides the full-ranged services for all types of non-life insurance, namely fire and property insurance, car insurance, health insurance, travel insurance, and personal accident insurance, including launching insurance products to protect small business establishments, which protect business operators for both loss and damage incurred on property. In this regard, customers can choose to purchase insurance products by themselves, such as car insurance, through Krungthai NEXT for their extra convenience other than visiting the Bank's branch or the office of the insurance company respectively.

In 2021, the company has developed efficiency in various fields, such as automation systems for providing car insurance claims, using robots to provide fire and auto insurance services and financial services, developing a Line official account to receive notification of all types of claims, updating the company's website, setting up a Single Contact Center to serve customers quickly, which commenced operations in December 2021.

#### 1.2.2.13 Krungthai Zmico Securities Co.,Ltd.

Krungthai Zmico Securities Co.,Ltd. provides a wide range of investment services: securities brokerage, derivatives agent business, securities borrowing and lending, securities trading, underwriting, financial advisory, offshore trading, issuing and selling derivative warrants, investment advisory and broker, and private fund management for Thai investors and foreign investors, both institutional investors and retail investors.

### 1.2.3 Marketing and Competition

#### Market and Competition Conditions and Business Trends

In 2021, commercial banks faced challenges from the more prolonged and intensive COVID-19 pandemic, which has affected the Thai economy's ability to expand slowly amid the remaining policy interest rate at a low level of 0.5 percent, while the household balance sheet and some businesses were more fragile, especially in tourism-related and domestic demand-related groups. Consequently, the commercial banks still have to focus on issuing measures to help customers continuously, both in terms of debt moratorium and debt restructuring to be in line with the customer's revenue streams and in terms of liquidity enhancement and capital support for business rehabilitation with low-interest loans. According to the Bank of Thailand (BOT)'s data, as of December 31, 2021, there were over Baht 2.03 trillion in loans assisted through debt moratorium and debt restructuring (excluding the state's specialized financial institutions), while the approval amount of the asset warehousing scheme as of December 13, 2021 amounted to Baht 29,443 million and the loan rehabilitation scheme amounted to Baht 137,589 million.

Commercial banks' operations and competition throughout 2021 were still moving towards digital banking entirely and extensively, both in answering the needs of customers and upgrading the banks' internal operating processes. After the COVID-19 crisis and government economic remedial and stimulation schemes, the behavior of Thai people has changed to have digital adoption that has accelerated exponentially. This was reflected in the volume of mobile banking transactions in 2020, which increased by 81 percent, while in the first 11-months of 2021, it continued to increase by 66 percent (yoy). Consequently, it caused the commercial banks to adjust their business model and change the organizational structure, such as reducing the number of branches and service points in the country down to 443 locations and managing resources, especially personnel, to be consistent with the structure, including the integration of technologies, especially AI, cloud computing, and blockchain, to improve internal work processes to be more efficient and can offer more financial products that were originally offered through traditional channels to be provided via digital channels, such as government bonds and gold trading services. In the meantime, there was the initiation of digital personal loan services, etc. Moreover, amid the competition from non-bank service providers such as FinTech and platform service providers, they have continued to have joint ventures or become strategic partnerships with leading companies, both domestically and internationally, to expand the scope of business operations at Beyond Banking. The results of the commercial banking system in 2021 can be summarized as follows:

- **Loans to customers and net accrued interest receivables** grew consistently by 5.89 percent, up from 5.89 percent last year, driven by corporate loans, particularly large businesses and government loans, while SME loans improved primarily as a result of financial rehabilitation measures.

- **Deposits** increased by 4.29 percent, compared to 9.63 percent last year, owing mainly to savings deposits and current deposits (CASA).

- **Net profit** increased 25.77 percent from a 46.86 percent drop last year, mainly due to a decrease in the provision for expected credit losses after the commercial banks' high provisioning in the previous year and the continuous cost control. However, net interest income decreased by 0.93 percent, while net fee and service income slightly increase by 1.64 percent.

- **Non-performing loans (NPLs)** increased 1.43 percent from the previous year's increase of 12.52 percent, while the NPL/loan ratio stood at 2.97 percent, close to the previous year's 3.11 percent, due to the positive effect of the financial assistance measures and the relaxation of debt classification.

- **Total capital** increased by 1.48 percent, causing the total capital ratio to remain strong at 19.90 percent, which was still much higher than the minimum threshold set by the Bank of Thailand.

#### Banking Industry and Competition Outlook 2022

In 2022, the business environment of the commercial banks is still highly uncertain, especially in terms of the economy. Despite its improvement resulting from the easing of COVID-19 control measures, the vaccination that covers a large population, gradually reopening the country to accepting foreign tourists as well as the government's measures to stimulate the economy and the Bank of Thailand's temporary relaxation of the LTV measures to stimulate the real estate sector, which will see more results in 2022, including the export sector's continued expansion in accordance with the economic direction of counterparty countries, there are still low risks that must be closely monitored. In particular, the resurgence of COVID-19 pandemic from new variants such as Omicron, may affect the economic recovery and growth of banks' loans and revenues, as well as creating challenges in asset quality management. Besides, commercial banks still face challenges from disruption in all directions, i.e., changes in consumer behaviors, more intense and complex competition, both from the banks themselves and newcomers such as FinTech companies, as well as the surge of new financial innovations such as cryptocurrencies and digital assets that are playing an increasingly prominent role in the financial and business worlds.

Nevertheless, the continuous adjustment of Thai commercial banks, especially investment in technology to develop new financial innovations, lending based on alternative data other than traditional forms of data, and joint development of the country's financial infrastructure, such as the "Smart Financial and Payment Infrastructure for Business" scheme with "Digital Supply Chain Finance" services, is a component that will greatly enhance the efficiency of business operations to become extra digitalized format. This is also considered as an important tool that helps commercial banks offer revolving loans to businesses more efficiently and thoroughly. Moreover, commercial banks







have the opportunity to expand loans to the business sector to improve their operations to support the transition to the BCG economy that is recognized worldwide, including Thailand, as a guideline to drive the economy. While focusing on operating business based on ESG or considering the environment, society, and corporate governance with the concept of sustainable banking under a strong financial position, it was reflected through the level of capital fund and reserves that were significantly higher than the minimum requirement. This will support the Banks' ability to cope with the challenges of economic uncertainty and various changes.

#### Competitiveness of Krungthai Bank

Krungthai Bank is a large commercial bank with high competitiveness and is one of the leaders of Thailand's commercial banks. The key strengths that support the Bank's competitiveness are as follows:

- **Good relationship with government customers and state enterprises:** This is partly due to the Bank's being able to continuously respond to financial services for government agencies, state enterprises, and government personnel. The Bank also plays an important role in supporting the effective implementation of government policies, such as laying out the infrastructure of electronic payment systems across the country and driving Thailand towards a cashless society, including issuing measures to support the community economy and revitalize the overall national economy through the "Pao Tang" application, which is a Thailand Open Digital Platform. The examples of the key projects are "Rao Tiew Duay Kan" scheme (We Travel Together), "Khon La Khrueng" scheme (Half-Half co-payment),

"Rao Chana" scheme (We Win), "Section 33 We Love Each Other" scheme and "Ying Chai Ying Dai" scheme (The more you spend, the more you get), etc. In further details, the Bank also developed a Health Wallet to increase the convenience for people to access health services. Besides, the Bank has executed the blockchain technology to enhance the efficiency of government schemes such as the Tourist TAX Refund scheme, the e-Government Procurement, the DLT Scripless Bond or the SBM e-wallet service. Hence, the increased customer base and business partners from the government sector enable the Bank to leverage and support the businesses, especially businesses in 5 Ecosystems - Government Agencies, Payment, Healthcare Entities, Educational Institutions and Transportation.

- **Various platforms to fully support the step towards digital banking:** According to the Bank's use of 2-Banking Models as a strategy to drive its business, the Bank becomes a leader in the digital banking system. This is reflected from the number of users in the Bank's digital platform at the end of 2021, comprising over 13 million users of Krungthai NEXT and over 16 million users of Krungthai Connex, as well as about 33 million users of the Pao Tang application and 1.5 million merchants on "Thung Ngern" application.

- **Strong capital to support growth:** As of December 31, 2021, the Bank had a 20.12 percent capital adequacy ratio (the Bank's financial business group), of which 16.86 percent 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 accommodating the risks that may arise from changes in the economy, society, and government agencies' regulations.

- **Being a commercial bank with a strong trademark:** Krungthai Bank has served Thai customers for more than 50 years. It is one of the top banks that customers think of, and is recognized for being able to effectively use its trademark in its social marketing activities.

- **Continuous improvement and development to the organization:** This enables the Bank to keep pace with rapidly changing business environments, for example, internal work process improvement, development of innovative products and services which fulfill customer needs, and having a clear digital

banking development roadmap which covers the integration of innovations, such as 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 quest for digital talents to support digital businesses, including developing the information technology system of the Bank to be more stable and secure in order to support new transactions with larger volume in the future. The Bank has also focused on developing the agility and multi-tasking skills of the employees in an attempt to get them ready for the transformation into fully invisible banking.

## Asset, Loan, Deposit and Branch

of Commercial banks registered in Thailand as of December 31, 2021

	Asset		Loan (net)		Deposit		Domestic Branch	
	Amount (Million Baht)	Market Share (%)	Amount (Million Baht)	Market Share (%)	Amount (Million Baht)	Market Share (%)	Amount (Place)	Market Share (%)
1. Bangkok Bank	3,753,832	16.55	2,025,671	14.17	2,665,646	16.62	1,059	17.57
2. Krungthai Bank	3,462,922	15.27	2,401,462	16.80	2,619,066	16.32	1,028	17.05
3. Kasikornbank	3,437,504	15.16	2,219,173	15.52	2,590,807	16.15	845	14.02
4. Siam Commercial Bank	3,300,014	14.55	2,160,070	15.11	2,469,201	15.39	828	13.74
5. Bank of Ayudhya	2,331,179	10.28	1,641,531	11.48	1,760,331	10.97	656	10.88
<b>Total of Large Banks</b>	<b>16,285,451</b>	<b>71.80</b>	<b>10,447,907</b>	<b>73.08</b>	<b>12,105,051</b>	<b>75.45</b>	<b>4,416</b>	<b>73.26</b>
<b>Total of Medium Banks and Small (13 Banks)</b>	<b>4,555,944</b>	<b>20.09</b>	<b>3,064,168</b>	<b>21.43</b>	<b>3,118,407</b>	<b>19.44</b>	<b>1,595</b>	<b>26.46</b>
<b>Total Offshore Branches (3 Banks)</b>	<b>1,840,005</b>	<b>8.11</b>	<b>784,377</b>	<b>5.49</b>	<b>819,367</b>	<b>5.11</b>	<b>17</b>	<b>0.28</b>
<b>Grand Total</b>	<b>22,681,400</b>	<b>100.00</b>	<b>14,296,452</b>	<b>100.00</b>	<b>16,042,825</b>	<b>100.00</b>	<b>6,028</b>	<b>100.00</b>

Source: C.B. 1.1, Bank of Thailand

Notes: 1. The BOT peer group criteria of commercial banks are as follows:

1.1. Large commercial banks include Thai banks with a market share of 10% or above.

1.2. Medium and small commercial banks include banks with a market share of less than 10%.

2. Loan data (net) means loans to customers and net accrued interest receivables.

3. Domestic branch data include headquarters, service points and off-site banking services for more than 30 days.

## Awards and Recognitions



### Awards received by the Bank in 2021 include:

#### 22 International Awards

##### 1. The Asset Triple A Sustainable Capital Markets Country & Regional Awards 2020 for Best Retail Bond Thailand

Awarded by The Asset, Hong Kong, for PTIT bond underwriting (15 billion baht dual-tranche CBI-certified green debentures).

##### 2. The Asset Triple A Sustainable Capital Markets Country & Regional Awards 2020 for Transport Deal of the Year

Awarded by The Asset, Hong Kong, for Green Bonds with maturities ranging from 2 to 10 years in a total amount of 8,600 million baht. The Bond was offered to institutional and high-net-worth investors in November 2020.

##### 3. Global Banking & Finance Awards for Best CSR Bank Thailand 2021

Awarded by the Global Banking and Finance Review Magazine, the United Kingdom, in recognition of the Bank's "Growing Together for Sustainability" vision and the integrity operations under the strategy that focuses on investments in technology to develop innovative services to improve Thai people's quality of life and their community.

##### 4. Global Banking & Finance Awards for Banking CEO of the Year Thailand 2021

Awarded by the Global Banking and Finance Review Magazine, the United Kingdom, to the CEO in recognition of the outstanding management strategy and the determination to manage "Krungthai" as a leading state commercial bank that develops products and services to meet the needs of customers in the digital era. As a result, Thai people's quality of life has been pushing forward to grow sustainably in line with the "Growing Together for Sustainability" vision of the Bank.

##### 5. Global Business Outlook Awards 2021 for Best Digital Transformation Bank - Thailand

Awarded by the Global Business Outlook, the United Kingdom, in recognition of pioneering the Digital Transformation process, including changing the processes and culture of the Bank in corresponding to the rapidly changing era.

##### 6. Global Business Outlook Awards 2021 for Most Innovative COVID-19 Emergency Relief Assistance Initiatives - Thailand

Awarded by Global Business Outlook, the United Kingdom. The Bank is recognized for the outstanding management during



the COVID-19 pandemic in all dimensions, along with building up the platform to facilitate customers and citizens in accessing upcoming government assistance measures during the COVID-19 era.

#### 7. Global Business Outlook Awards 2021 for Best Government and Infrastructure Financing Bank - Thailand

Awarded by Global Business Outlook, the United Kingdom, in recognition of the Bank's outstanding and successful establishment of the financial infrastructure.

#### 8. World Economic Magazine Awards 2021 for "Best Digital Bank Thailand 2021"

#### 9. World Economic Magazine Awards 2021 for "Most Sustainable Bank Thailand 2021"

#### 10. World Economic Magazine Awards 2021 for "Best Corporate Banking COVID-19 Response Initiative Thailand 2021"

Awarded by World Economic Magazine, USA, in recognition of the Bank's outstanding performance in 3 categories. The Bank has executed innovation to develop products and services in various fields in accordance with the needs of consumers, as well as being side by side with Thai people and Thai society in every crisis.

#### 11. Most Sustainable Bank Award 2021 - Thailand

Awarded by World Finance Magazine, the United Kingdom, in recognition of the Bank as the frontrunner in the operations with sustainability, transparency and taking into account the environmental impact, including having a commitment to provide comprehensive and fair financial services to people at all levels.

#### 12. PAN Finance Awards for Most Innovative Banking App - Krungthai Next - Thailand 2021

Awarded by PAN Finance Magazine, the United Kingdom. The award is presented to the Bank for its outstanding achievement in building and structuring the country's digital financial platform, as well as in researching and developing digital financial products and services.

#### 13. International Banker 2021 Asia & Australasia Awards for Best Innovation in Retail Banking Thailand 2021

#### 14. International Banker 2021 Asia & Australasia Awards for Best Commercial Bank Thailand 2021

Awarded by International Banker Magazine, the United Kingdom. The award is presented to the banks and financial institutions that are outstanding in developing financial products and services that satisfy the needs of consumers.

#### 15. Asiamoney Best Bank Awards 2021 for Best Digital Bank - Thailand

Awarded by Asiamoney Magazine, Hong Kong, to the Bank in recognition of the best organization with a vision and determination to innovate and develop digital financial products and services to cope with digital disruption and rapidly changing customer behaviors.

#### 16. Asia Corporate Excellence & Sustainability Awards (ACES) 2021 for Asia's Best Performing Companies & Top Workplaces in Asia

Awarded by the ACES Awards, Asia's leading sustainable development institute in Malaysia, to the Bank in recognition of

the best organization with a vision and management that emphasizes the consideration of sustainable development and growth in all sectors of society. By linking the framework of business operations with plans for economic development and improvements in quality of life, the purpose is to reduce poverty and make the community and society better.

#### 17. Sustainability Awards 2021 for Sustainability Product of the Year

Awarded by The Business Intelligence Group, USA. The Bank is recognized as the leader in digital financial platform that is fair and comprehensive to the people, including conducting business while taking into account the society, the economy, and the environment in order for the Bank to grow alongside with the country's sustainable economic driving.

#### 18. Asia Pacific Sustainable Innovation Enterprise Award (Banking Industry)

Awarded by the Asia Pacific Institute of Strategy, Hong Kong. Krungthai Bank received the Asia Pacific Sustainable Innovation Enterprise Award for the banking industry regarding the success of the Pao Tang application development in the form of an open digital platform that contributes to the Bank's sustainable growth and participation in supporting government policies to deal with COVID-19 and develop Thailand's digital economic infrastructure.

#### 19. Best Practice (Emerging Market) for Great Practice

Awarded at the Global Corporate Sustainability Awards (GCSA) 2021, Taiwan for the Koh Tao, Better Together Crowd-Funding Campaign.

#### 20. Bank of the Year 2021 Award in Thailand

Awarded by The Banker Magazine, the United Kingdom, in recognition of being an outstanding state commercial bank with excellent management in all dimensions and committing to the invention and development of digital financial products and services in accordance with the digital disruption and customer behaviors that change rapidly. Inclusively, the Bank is honored for its supporting and pushing forward the government policies to continuously stimulate the country's economy amid the COVID-19 pandemic.

#### 21. ASEAN Business Awards (ABA) 2021

Awarded by ASEAN BAC of Brunei for the Bank's being an outstanding organization that gives importance to human capital development and having the ability to develop a skilled workforce. It is reflected in the important guidelines on "Human Resource Development" (HRD), which focus on the need to enhance professional and technical skills in the ASEAN workforce.

#### 22. SEAL Business Sustainability Awards 2021 for Sustainable Innovation Award Category

Awarded by SEAL, USA, for success in innovation development for sustainability. The Bank has introduced the development of the Pao Tang application as an open digital platform that can reach the public in a safe, efficient, and comprehensive manner, as well as laying the foundation for the country's digital infrastructure in order to transition to the digital economy.



ASEAN Corporate Governance Scorecard Award 2019 for  
ASEAN Asset Class PLCs (Thailand)

## 16 National Awards

### 1. ASEAN Corporate Governance Scorecard Award 2019 for ASEAN Asset Class PLCs (Thailand)

Awarded by the Securities and Exchange Commission (SEC). This award is given to publicly listed companies in ASEAN who have a corporate governance assessment score of 97.50 or more.

### 2. Thailand Top Company Awards 2021 for "Finance and Banking Industry"

### 3. Thailand Top Company Awards 2021 for "Best Digital Banking Service of the Year Award"

### 4. Product of the year Awards: Finance and Investment Group, Savings bonds via SBM Wallet

Awarded by Business+ magazine in recognition of being a successful organization in the fields of operation and management, building wealthy, stable, and sustainable growth, a digital transformation of the organizational structure, and creating innovative financial products and service channels using technology. The Bank has been voted in a survey by consumers via online media as the best product and service of the year.

### 5. Best Bond Awards 2020 for Best Repo Primary Dealer

Awarded by ThaiBMA to the Bank of Thailand's Bilateral Repurchase Primary Dealers who have played an outstanding role in supporting the implementation of monetary policy through bilateral repurchase transactions (repo) with the Bank of Thailand and promoting the efficiency of liquidity management in the Thai money market.

### 6. Best Bond Awards 2020 for Best Outright Primary Dealer

Awarded by ThaiBMA to the Bank of Thailand's e-Outright Counterparties who have played an outstanding role in supporting the implementation of monetary policy through bond trading with the Bank of Thailand and promoting liquidity in the Thai bond market.

### 7. Best Bond Awards 2020 for COVID-19 Financing Contributor

Awarded by ThaiBMA to the financial institutions with the highest lending proportion under the COVID-19 loan decree.

### 8. "Thailand Social Awards 2021" for "Best Brand Performance on Social Media" "

Awarded by Wisesight (Thailand) in recognition of the brand's excellent performance on social media in the banking business category. Krungthai Bank is considered as a brand with a history of using social media in a creative way. The criteria for the awards are from the use of media on 4 main channels, namely Facebook, Instagram, Twitter, and YouTube.

### 9. Thailand Corporate Excellence Awards 2021 in the Product / Service Excellence category

Awarded by the Thailand Management Association (TMA) to organizations with an income of more than 10,000 million baht/year in the product / service excellence category.

### 10. SET Awards 2020: Thailand Sustainability Investment (THSI)

Awarded by the Stock Exchange of Thailand. It is an announcement to honor listed companies that operate the banking business with regard to the environment, society, and corporate governance to sustainably grow with all sectors of society.



Thailand Corporate Excellence Awards 2021  
in the Product / Service Excellence category



Thailand Sustainability Investment  
(THSI) 2021 Award

#### 11. Sustainability Disclosure Award 2021

Awarded by ThaiPAT Institute in recognition of its awareness and emphasis on disseminating operational information which covers economic, social, environmental operations or ESG – environmental, social and governance issues, in the form of sustainability reports or other formats that exhibit the sustainability of the business. As a result, this will benefit the stakeholders of the business and the organization's development towards sustainability in the long term.

#### 12. Thai Chamber of Commerce Outstanding Ethics Awards 2021

Awarded by the Thai Chamber of Commerce and Board of Trade of Thailand in recognition of its adoption of good corporate governance to properly manage the organization and focus on creating fairness, transparency, and good performance standards for all parties involved for sustainable development.



Sustainability Awards 2021 for Sustainability  
Product of the Year



Thai Chamber of Commerce Outstanding Ethics  
Awards 2021



Digital State Enterprise Development  
Award 2022



SOE Award 2022

#### 13. Plaque of "Senate has Faith in Goodness"

Awarded by the Standing Committee on Social, Children, Youth, Women, the Elderly, the Disabled and the Underprivileged Affairs of the Senate in recognition of a model bank to provide more convenient access for the visually impaired to financial transactions. Over the last ten years, the Bank has worked to create and improve services for persons with disabilities, particularly with the installation of ATMs that can be used by blind people. This is an important starting point that will lead to the development of services that leave no one behind.

#### 14. Best CEO in Digital Finance Award

Awarded by the Bangkok Post newspaper in recognition of its role in integrating digital development plans and infrastructure adjustments in Thailand, facing many challenges during the COVID-19 pandemic. Krungthai Bank has provided measures to solve the problems and played an important role in the Khon La Khrueng (Half-Half co-payment) scheme, which connects more than 30 million users via the Bank's Pao Tang application and more than 1.5 million merchants through the Tung Ngern application for merchants.

#### 15. Digital State Enterprise Development Award 2022

#### 16. SOE Award 2022

Awarded by the Ministry of Finance to outstanding state enterprises that can create and utilize digital technology to develop their organizations in various dimensions conveniently and quickly. The Bank is outstanding in driving technology development and financial innovation to enhance the quality of life of all customer groups.



## Service Network

The Bank's service network by region as of December 31, 2021

Unit : Place

	Total	Bangkok and Vicinities	Upcountry
ATMs	8,173	2,024	6,149
Local branches*	1,028	304	724
o Physical branches	969	282	687
o Digital branches	12	6	6
o Service points (including off-site service points)	47	16	31
Business Office	74	19	55
International Business Center	25	15	10
Exchange booth	43	18	25

\* including the head offices

### 1.2.4 Products and Services

Sources of Funds and Lending

Unit : Million Baht

Consolidated	December 31, 2021		December 31, 2020		Change 2021 / 2020
	Amount	%	Amount	%	%
Deposits	2,614,747	73.5	2,463,225	74.0	6.2
Interbank and money market items, net	296,344	8.3	274,566	8.2	7.9
Debt issued and borrowings	133,817	3.8	86,564	2.6	54.6
Others	137,724	3.9	148,361	4.5	(7.2)
Total Equity	374,111	10.5	355,064	10.7	5.4
<b>Total</b>	<b>3,556,744</b>	<b>100.0</b>	<b>3,327,780</b>	<b>100.0</b>	<b>6.9</b>

Loans and deposits classified by maturity Consolidated	December 31, 2021		December 31, 2020		Change 2021 / 2020
	Amount	%	Amount	%	%
Loans					
- No more than 1 year	824,900	31.4	687,615	29.5	20.0
- More than 1 year	1,804,063	68.6	1,647,227	70.5	9.5
<b>Total Loans</b>	<b>2,628,963</b>	<b>100.0</b>	<b>2,334,842</b>	<b>100.0</b>	<b>12.6</b>
Deposits					
- No more than 1 year	2,583,326	98.8	2,444,240	99.2	5.7
- More than 1 year	31,421	1.2	18,985	0.8	65.5
<b>Total Deposits</b>	<b>2,614,747</b>	<b>100.0</b>	<b>2,463,225</b>	<b>100.0</b>	<b>6.2</b>

**Business Assets for Operation****Main fixed assets**

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

Unit : Million Baht

	Cost	
	December 31, 2021	December 31, 2020
Land		
Cost	5,779	5,778
Appraisal increase	17,694	10,399
Appraisal decrease	-	-
Premises	12,555	12,616
Equipment	23,911	23,780
Others	992	976
<b>Total</b>	<b>60,931</b>	<b>53,549</b>
Less Accumulated depreciation	29,366	28,722
Allowance for impairment	47	65
<b>Premises and equipment, net</b>	<b>31,518</b>	<b>24,762</b>

The Bank and its subsidiaries lease a number of buildings and building improvements, as well as decorations, office equipment installation, and vehicles used in the operation of the business, with the rental payment schedule on a monthly basis. The lease agreements have an average term of 1 to 50 years, with the amounts payable under the lease agreements as follows:

The Bank owes the following obligations under the leasing agreement, with due dates commencing from the balance sheet date:

Unit : Million Baht

Amounts payable under the lease agreements	December 31, 2021	December 31, 2020
No more than 1 year	1,958	2,078
More than 1 - 5 years	2,318	2,526
More than 5 years	190	63
<b>Total</b>	<b>4,466</b>	<b>4,667</b>
Less : deferred interest	(189)	(163)
<b>Total</b>	<b>4,277</b>	<b>4,504</b>

Note: <sup>(1)</sup> From January 5, 2022 onwards, Krung Thai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd.





### Investment Policy in Companies in the Financial Business Group

The Bank invested in the companies in the financial business group, which support the Bank's business by means of Consolidated Supervision complying with the supervision of Bank of Thailand. The objectives were to supervise companies in the financial business group to achieve stability and operate businesses appropriately in addition to prevent any risks that may occur from the business operation.

As of December 31, 2021, the Bank has 20 companies in its financial business group as follows:

**1. Financial Business** refers to a group of businesses that support and enable the Bank to provide more comprehensive services. Businesses in this group are: asset management business, hire purchase and leasing business, credit card business, life insurance business, non-life insurance business, securities business, financial advisory business, holding company, and payment services business. There are 15 companies in this group, namely Krungthai Asset Management PCL, Krungthai-AXA Life Insurance PCL, Krungthai Panich Insurance PCL, Krungthai Zmico Securities Co.,Ltd., KTB Advisory Co., Ltd., KTB Leasing Co., Ltd., Krung Thai IBJ Leasing Co.,Ltd., Krungthai Card PCL, KTC Nano Co., Ltd.,

KTC Prepaid Co., Ltd., KTC Pico (Bangkok) Co., Ltd. and 4 companies under KTC Pico (Bangkok) Co., Ltd.

**2. Supporting Business** refers to businesses that support the Bank's operations to have flexibility, convenience and increase the efficiency of service in various fields, namely the legal services, Information systems, Digital Platform, technology-related services. Supporting services include, financial instrument transportation, buildings management, staff training center, vehicle service, asset relocation, security, automatic document printing and folding, packing and sending service, debt collection, customer relationship management service, etc. There are 5 companies in this group, namely KTB Law Co., Ltd., KTB Computer Services Co., Ltd., KTB General Services and Security Co., Ltd., Infinitas by Krungthai Co., Ltd. and Arise by Infinitas Co. Ltd. to provide personnel and information technology (IT) resources services. (Established on November 18, 2021 by Infinitas by Krungthai Co., Ltd. holding 51% shares together with Accenture Solutions Co., Ltd. (ACN) holding 49% shares and later increased the registered capital to 300 million Baht)

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

as at December 31, 2021.

Company	Type of Business	Total Shares Issued	Shareholding Ratio			Type of Share
			The Bank's Direct Holding of Shares		Indirect Holding <sup>(1)</sup>	
			No. of Shares Invested	Percentage of Shareholding	Percentage of Shareholding	
Insurance Business						
1. Krungthai-AXA Life Insurance Pcl. 9 G Tower Grand Rama 9, 1st ,20th-27th Fl., Rama 9 Rd., 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 Fax. : +662 624-1234	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	60,000,000	10.10	-	Ordinary
Hire purchase / Leasing						
4. KTB Leasing Co., Ltd. <sup>(7)</sup> 20 Suan Mali Tower, 6th-8th Fl., Yukol 2 Rd., Wat Debsirin, Pom Prap Sattru Phai, Bangkok 10100 Tel. : +662 299-3800 Fax. : +662 299-3801-2	Hire purchase	100,000,000	24,950,000	24.95	75.05 <sup>(2)</sup>	Ordinary
5. Krung Thai IBJ Leasing Co., Ltd. <sup>(8)</sup> 98 Sathorn Square Office Tower, 33rd Floor, Unit 3307-3313, North Sathorn Road, Silom, Bangrak, Bangkok, 10500 Tel: +662 009-0888, Fax: +662 009-0810, +662 009-0811	Hire purchase	10,000,000	4,899,998	49.00	2.00 <sup>(3)</sup>	Ordinary
Credit Card/Personal Loan/Retail Loan						
6. Krungthai Card Pcl. 591 UBC II Bldg., 14th Fl., Sukhumvit Rd., Klong Ton 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

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

(6) Indirect shareholding through Infinitas by Krungthai Co., Ltd.  
(7) From 24 January 2022 onwards, Krungthai Leasing Co., Ltd. change the location to 591 United Business Center II 2nd floor, Sukhumvit Road, Khlong Tan Nuea Subdistrict, Wattana District, Bangkok 10110  
(8) From 5 January 2022 onwards, Krungthai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd.

Company	Type of Business	Total Shares Issued	Shareholding Ratio			Type of Share
			The Bank's Direct Holding of Shares		Indirect Holding <sup>(1)</sup>	
			No. of Shares Invested	Percentage of Shareholding	Percentage of Shareholding	
7. KTC Nano, Co., Ltd. 591 UBC II Bldg., G Fl., Room G3, Sukhumvit Rd., Klong Ton Nua, Wattana, Bangkok 10110 Tel. : +662 123-5300	Nano Finance	5,000,000	1,247,500	24.95	75.05 <sup>(2)</sup>	Ordinary
8. KTC Pico (Bangkok) Co., Ltd. 591 UBC II Bldg., G Fl., Room G4, Sukhumvit Rd., Klong Ton Nua, Wattana, Bangkok 10110 Tel. : +662 123-5300	Retail Loan	6,000,000	1,497,000	24.95	75.05 <sup>(2)</sup>	Ordinary
9. KTC Pico (Chonburi) Co., Ltd. 89/457 Moo 6, Bo Win, Si Racha, Chon Buri	Retail Loan	1,000,000	-	-	100.00 <sup>(4)</sup>	Ordinary
10. KTC Pico (Pathum Thani) Co., Ltd. 94 Future Park Rangsit, 2nd Fl., Paholyothin Rd., Prachathipat, Thanyaburi, Pathumthani	Retail Loan	1,000,000	-	-	100.00 <sup>(4)</sup>	Ordinary
11. KTC Pico (Samut Prakan) Co., Ltd. 200/63 Moo 1, Bang Sao Thong, Samut Prakan	Retail Loan	1,000,000	-	-	100.00 <sup>(4)</sup>	Ordinary
12. KTC Pico (Samut Sakhon) Co., Ltd. 322/90 Ekkachai Rd., Mahachai, Mueang Samut Sakhon, Samut Sakhon	Retail Loan	1,000,000	-	-	100.00 <sup>(4)</sup>	Ordinary
<b>Payment Service under Supervision</b>						
13. KTC Prepaid Co., Ltd. 591 Samatchavanich 2 Bldg., G Fl., Room 102, Sukhumvit Rd., Klong Ton Nua, Wattana, Bangkok 10110 Tel. : +662 828-5568	Payment Service under Supervision	10,000,000	2,495,000	24.95	75.05 <sup>(2)</sup>	Ordinary
<b>Securities</b>						
14. Krungthai Asset Management Pcl. 195 Empire Tower., 32nd Fl., South Sathorn Rd., Yannawa, Sathorn, Bangkok 10120 Tel. : +662 686-6100 Fax. : +662 670-0430	Management	20,000,000	19,999,986	100.00	-	Ordinary

Notes :

(1) Final shareholding ratio

(2) Indirect shareholding through Krungthai Card Pcl.

(3) Indirect shareholding through Krungthai Panich Insurance Pcl.

(4) Indirect shareholding through KTC Pico (Bangkok) Co., Ltd.

(5) Indirect shareholding through KTB Advisory Co., Ltd.

(6) Indirect shareholding through Infinitas by Krungthai Co., Ltd.

(7) From 24 January 2022 onwards, Krungthai Leasing Co., Ltd. change the location to 591 United Business Center II 2nd floor, Sukhumvit Road, Khlong Tan Nuea Subdistrict, Wattana District, Bangkok 10110

(8) From 5 January 2022 onwards, Krungthai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd.



Company	Type of Business	Total Shares Issued	Shareholding Ratio			Type of Share
			The Bank's Direct Holding of Shares		Indirect Holding <sup>(1)</sup>	
			No. of Shares Invested	Percentage of Shareholding	Percentage of Shareholding	
15. Krungthai Zmico Securities Co.,Ltd. 287 Liberty Square Bldg., 8th,15th-17th, 19th, 21th Fl., Silom Rd., Bang Rak, Bangkok 10500 Tel. : +662 695-5000 Fax : +662 695-5173  <b>Holding Company</b>	Securities	259,127,200	129,563,600	50.00	-	Ordinary
16. KTB Advisory Co., Ltd. 35 Nana Nua Bldg., 5th Fl., Sukhumvit Rd., Klong Toey Nua, Wattana, Bangkok 10110 Tel. : +662 208-3047 Fax. : +662 256-8659  <b>Support Business</b>	Holding Company	30,000,000	22,799,999	76.00	24.00 <sup>(2)</sup>	Ordinary
17. KTB Law Co., Ltd. 191/50-53,55, CTI Tower, 19th 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
18. 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
19. 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
20. Infinitas by Krungthai Co., Ltd. 35 Sukhumvit Rd, 3rd Floor, Klong Toey Nua, Wattana, Bangkok 10110	Digital Platform Service and Services Related to Technology	30,000,000	-	-	100.00 <sup>(5)</sup>	Ordinary
21. Arise by Infinitas Co., Ltd 2 Ploenchit Center Building, 6th-7th Floor, Sukhumvit Road, Klongtoey, Khlong Toei, Bangkok 10110	Providing personnel and IT resources	30,000,000	-	-	51.00 <sup>(6)</sup>	Ordinary

Company	Type of Business	Total Shares Issued	Shareholding Ratio			Type of Share
			The Bank's Direct Holding of Shares		Indirect Holding <sup>(1)</sup>	
			No. of Shares Invested	Percentage of Shareholding	Percentage of Shareholding	
Others						
22. 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	99,982	19.97	-	Ordinary
23. BCI (Thailand) Co., Ltd. 5/13 Moo 3, 4th Fl., Chaeng Watthana Rd., Klong Kluea, Pak Kret, Nonthaburi 11120	Electronic Letter of Guarantee Service on Blockchain System	53,000,000	11,750,000	22.17	-	Ordinary
24. Suvarnabhumi Airport Hotel Co., Ltd. 999 Moo 1 Suvarnabhumi Airport Hotel Bldg., Nongprue, Bang Phli, Samut Prakarn 10540 Tel. : +662 131-1042-4 Fax. : +662 131-1189	Hotel	10,177,800	1,017,780	10.00	-	Ordinary
25. Saraburi New Industrial City Co., Ltd. 123 Thai Life Insurance Bldg., 12th Fl., Ratchadapisek Rd., Huaykwang, Bangkok 10400 Tel. : +662 246-9487 Fax. : +662 246-9819	Industrial Estate	25,000,000	2,500,000	10.00	-	Ordinary
26. Alphatec Electronics Pcl. (Contact Office of the Liquidator) 889 Thai CC Tower, 14th Fl., North Sathorn Rd., Sathorn, Bangkok 10120	Electronics Components Manufacturing	2,642	806	30.51	-	Ordinary
27. Manager Media Group Pcl. 98/3-10 Phra-Athit Rd., Chana Songkram, Phra Nakorn, Bangkok 10200 Tel. : +662 629-4488 Fax. : +662 629-4469	Publishing	129,354,620	20,814,928	16.09	-	Ordinary
28. Kuang Pei San Food Products Pcl. 43 Tanasarn Tower, Chiangmai Rd., Klong San, Bangkok 10600 Tel. : +662 863-3288 Fax. : +662-437-8123	Producing and Selling Tinned Foods	500,489,990	62,145,000	12.42	-	Ordinary

Company	Type of Business	Total Shares Issued	Shareholding Ratio			Type of Share
			The Bank's Direct Holding of Shares		Indirect Holding <sup>(1)</sup>	
			No. of Shares Invested	Percentage of Shareholding	Percentage of Shareholding	
29. Sahaviriya Steel Industries Pcl. 28/1 Prapawit Building, 2nd - 3rd Fl., Surasak Rd., Bangrak, Silom, Bangkok 10500 Tel. : +662 238-3063-82 Fax : +662 236-8890, +662 236-8892	Steel Industries	11,113,018,280	4,499,394,589	40.49	-	Ordinary
30. Private Equity Trust for SME Growing Together 1 989 Siam Piwat Tower Building, 9th Fl, 24th Fl., Rama I Rd., Pathumwan, Pathumwan, Bangkok, 10330	Private Fund (Fund established to promote small and medium-sized enterprises (SMEs))	30,000,000	26,431,710	88.11	-	Trust Certificate
31. Private Equity Trust for SME Growing Together 2 989 Siam Piwat Tower Building, 9th Fl , 24th Fl., Rama I Rd., Pathumwan, Pathumwan, Bangkok, 10330	Private Fund (Fund established to promote small and medium-sized enterprises (SMEs))	73,000,000	62,660,937	85.84	-	Trust Certificate

Note :

(1) Final shareholding ratio

(2) Indirect shareholding through Krungthai Card Pcl.

(3) Indirect shareholding through Krungthai Panich Insurance Pcl.

(4) Indirect shareholding through KTC Pico (Bangkok) Co., Ltd.

(5) Indirect shareholding through KTB Advisory Co., Ltd.

(6) Indirect shareholding through Infinitas by Krungthai Co., Ltd.

(7) From 24 January 2022 onwards, Krungthai Leasing Co., Ltd. change the location to 591 United Business Center II 2nd floor, Sukhumvit Road, Khlong Tan Nuea Subdistrict, Watthana District, Bangkok 10110

(8) From 5 January 2022 onwards, Krungthai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd.

### 1.3.2 If a person who may have conflict of interest holds shares in a subsidiary or associated company more than 10 percent

-None-

### 1.3.3 Relationship with Business Group of Major Shareholder

-None-



## 1.3.4 Shareholders

## The group of the top 10 shareholders

Shareholding Structure: List of Shareholders as at April 22 , 2021 (book closing date) are as follows:

Shareholders	Number of Shares			
	Ordinary	Preferred	Total	%
1) The Financial Institutions Development Fund	7,696,248,833	0	7,696,248,833	55.05
2) Thai NVDR Co., Ltd	632,537,329	2,060	632,539,389	4.52
3) EGAT Saving and Credit Cooperative Limited	390,453,400	0	390,453,400	2.79
4) STATE STREET EUROPE LIMITED	343,912,361	0	343,912,361	2.46
5) Vayupaksa Mutual Fund 1 managed by MFC	304,775,658	2,726,095	307,501,753	2.20
6) Vayupaksa Mutual Fund 1 managed by KTAM	304,775,657	2,726,095	307,501,752	2.20
7) The Federation of Savings and Credit Cooperatives of Thailand Limited	221,840,400	0	221,840,400	1.59
8) SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	174,181,990	0	174,181,990	1.25
9) Government Savings Bank	115,666,822	0	115,666,822	0.83
10) THE BANK OF NEW YORK MELLON	106,429,909	0	106,429,909	0.76
11) Other shareholders	3,685,238,891	45,750	3,685,284,641	26.35
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 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	%
Thai Nationality	583	10,686,038,069	85,270	1,845,256,329	85,853	12,531,294,398	89.66
Foreign Nationality	223	1,395,040,854	137	49,725,998	360	1,444,766,852	10.34
Total	806	12,081,078,923	85,407	1,894,982,327	86,213	13,976,061,250	100.00

Note: 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	%
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

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

**Shareholding Structure:** List of Shareholders as at December 31, 2021 (book closing date) are as follows:

Shareholders	Number of Shares			
	Ordinary	Preferred	Total	%
1) The Financial Institutions Development Fund	7,696,248,833	0	7,696,248,833	55.05
2) Thai NVDR Co., Ltd	808,511,147	2,060	808,513,207	5.78
3) EGAT Saving and Credit Cooperative Limited	443,003,700	0	443,003,700	3.17
4) STATE STREET EUROPE LIMITED	351,374,656	0	351,374,656	2.51
5) Vayupaksa Mutual Fund 1 managed by MFC	307,225,658	2,726,095	309,951,753	2.22
6) Vayupaksa Mutual Fund 1 managed by KTAM	307,225,657	2,726,095	309,951,752	2.22
7) The Federation of Savings and Credit Cooperatives of Thailand Limited	203,130,000	0	203,130,000	1.45
8) SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	191,167,490	0	191,167,490	1.37
9) Government Savings Bank	119,786,722	0	119,786,722	0.86
10) BNY MELLON NOMINEES LIMITED	94,651,826	0	94,651,826	0.68
11) Other shareholders	3,453,735,561	45,750	3,453,781,311	24.69
<b>Total</b>	<b>13,976,061,250</b>	<b>5,500,000</b>	<b>13,981,561,250</b>	<b>100.00</b>

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	Entity Juristic		Individual		Total		
	Number	Number of Shares	Number	Number of Shares	Number	Number of Shares	%
Thai Nationality	569	10,887,706,731	74,991	1,705,807,239	75,560	12,593,513,970	90.07
Foreign Nationality	228	1,338,580,832	124	49,466,448	352	1,388,047,280	9.93
<b>Total</b>	<b>797</b>	<b>12,226,287,563</b>	<b>75,115</b>	<b>1,755,273,687</b>	<b>75,912</b>	<b>13,976,061,250</b>	<b>100.00</b>

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 the part 1, item 5, General Information and Other Major Information

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

The Bank compiled a list of shareholders as at December 31, 2021 and found that the Bank's shareholding by minor shareholders (free float) was equal to 44.95 percent of the paid capital.

#### Financial Institutions Development Fund (FIDF)

As of December 31, 2021, Financial Institutions Development Fund (FIDF) was the major shareholder of the Bank. The FIDF had 7,696,248,833 ordinary shares or 55.05 percent of total paid-up ordinary and preferred shares (or equivalent to 55.07 percent of total paid-up ordinary shares). Financial Institutions Development Fund (FIDF) has the objective to revitalize and develop the financial institution system to be stable, with the Fund Management Committee setting up policies and supervising the FIDF. In this regard, the FIDF is both a part and a juristic person separate from the Bank of Thailand. The fund management department is responsible for managing under the framework of the Fund Management Committee.

## 1.4 Amount of Registered and Paid-Up Capital

### • Registered Capital

As of December 31, 2021, the bank has registered capital and paid-up capital of 72,005,040,437.50 Baht, classified into

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

### Details of Bank Securities

#### • Ordinary shares

KTB-F Ordinary shares are listed securities on the Stock Exchange of Thailand, traded on both domestic and international boards. Trading on domestic boards uses the letter KTB, and foreign board trading uses the letter KTB-F.

#### • Preferred shares

Preferred shares are listed securities on the Stock Exchange of Thailand, traded on both domestic and international boards. Trading on domestic boards uses the letters KTB-P and trading on foreign boards uses the letters KTB-Q.

Preferred shares are stocks that are fully invested at par value. The shareholders have special privileges, in addition to having the right to vote in the shareholders' meeting and are entitled to receive the same dividend as ordinary shares, by being entitled to receive a special dividend at a fixed rate of three percent per year before the ordinary share.

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

#### • Conditions for investing in the Bank securities

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

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

2) Prohibit any person (including related persons) holding shares or having shares of any financial institution, whether directly or indirectly, more than 10 percent of the total number of sold shares, unless authorized by the Bank of Thailand or in accordance with the regulations prescribed by the Bank of Thailand.

#### • Other securities

As of December 31, 2021, the Bank has 808,513,207 units of Non-Voting Depository Receipt (NVDR), which is managed by Thai NVDR Co., Ltd, established by the Stock Exchange of Thailand. The NVDR securities holders shall receive the same financial privileges as they would receive from direct investment in the Bank's shares, but there are no voting rights in shareholders' meetings for NVDR holders, except for the rights to consider and vote for delisting of underlying securities from listed securities of the Stock Exchange of Thailand. Nevertheless, the number of NVDR shares is equivalent to 5.78 percent of the Bank's ordinary shares and 0.04 percent of the Bank's preferred shares for registered and paid-up capital and accounted for 12.86 percent of ordinary shares held by minor shareholders (free float). Minor Shareholders and investors can examine the number of NVDR shares on the website of the Stock Exchange of Thailand, [www.set.or.th](http://www.set.or.th).



## 1.5 Issuance of Other Securities

### • Debt Instruments of the Bank

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

### • Debt Instruments offered for sale in the Country/abroad to institutional investors and/or high net worth investors

Issuance Date	Type/Name of Debt Instruments	Credit Rating	Outstanding	Period	Redemption Date
Nov. 23, 2017	Subordinated Instruments intended to qualify as Tier 2 Capital of Krungthai Bank PCL. No. 1/2017	AA- (tha) (Fitch Ratings Thailand)	THB 20,000 million	10 (Call option in 5th year)	Nov. 23, 2027
Jun. 1, 2018	USD Debentures of Krungthai Bank PCL. No. 1/2018 (Redemption in 2023).	AAA (tha) (Fitch Ratings Thailand)	USD 230 million	5	Jun. 1, 2023
Jul. 12, 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 5th year)	Jul. 12, 2029
March 25, 2021	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 5th year)	No Redemption Date
2021	Structured notes based on the iSTOXX Global Transformation Select 30 NR Decrement 4.5% Index (IXGTRSND) under the Krungthai Bank Public Co. Ltd. Structured Notes Program No.1/2020.	AAA(tha) (tha) (Fitch Ratings Thailand)	THB 1,825 million	5	September 14, 2026
2021	Structured notes based on the USDTHB exchange rate (FX Note) under the Krungthai Bank Public Company Limited's Structured Notes Program No. 1/2020	AAA(tha) (tha) (Fitch Ratings Thailand)	USD 748 million	1 - 7	March 31, 2022 - 2028
2021	Structured notes based on Solac-five Luxury Dynamic Factors In-dex (SOLUX10F Index) under the Krungthai Bank Public Co. Ltd. Structured Notes Program No.1/2020.	AAA(tha) (tha) (Fitch Ratings Thailand)	THB 741 million	5	June 16, 2026, July 9, 2026

## 1.6 Dividend Payment Policy

### • Dividend Payment Policy of the Bank

The Bank has the policy to pay about 40 percent of its net profit as dividend. Nevertheless, dividend payment in each year is subject to realized profit from normal business operations in that particular year. Also taken into consideration were the future performance of the Bank as well as economic condition, financial factors involved, growth of credit extension and provisioning, resolution from the Board of Directors meeting and/or shareholders general meeting, retained earnings, legal and other provisioning as the Bank deems necessary and including the regulatory compliance under law, rules and regulation prescribed by the authorized regulators.

The Bank's Financial Highlights	Year 2020	Year 2019*	Year 2018
Earnings per Share (Baht)	1.20	2.09	2.04
Dividend per share for ordinary shareholders (Baht)	0.4295	0.7530	0.7180
Dividend per share for preferred shareholders (Baht)	0.2750	0.9075	0.8725
Dividend payout ratio (percentage)	28.93	40.00	40.00
Dividend Payment Date	May 7, 2021	April 23, 2020	May 10, 2019

Note \* The Bank pays interim dividends for the year 2019, based on the financial statements ended December 31, 2019 audited by the Bank's auditor, to preferred shareholders, and ordinary shareholders on April 23, 2020 in order to reduce the impact that may occur to the shareholders from the postponement of the Shareholders' Meeting due to the spread of the Coronavirus Disease 2019 (COVID-19). The 27th Annual Shareholders General Meeting held on July 10, 2020 has been informed of the interim dividend payment instead of the dividend payment for the year 2019 as mentioned.

### • Dividend Payment Policy of the Bank's Subsidiaries

Dividend payment of subsidiaries depends on each company's operating performance, retained earnings, legal provisioning and other required provisioning as appropriate for business operation.

## Part 1 Business Operations and Performance

### 2. Risk Management

#### 2.1 Risk Management Policies and Plans

Technological innovations in the digital economy era have caused rapid and disruptive change in economic, social and business competition. There are new emerging risks, particularly the COVID-19 pandemic. It caused a decrease in economic activity and severe economic recession around the world. Currently, the economic is in a recovery period after the COVID-19 pandemic situation started to resolve. However, people's behavior has shifted to New Normal lifestyle. It is seen that consumers have more activities on online platforms. As for the business sector, the emergence of digital transformation will be faster and more inclusive. These factors will further accelerate the growth of the digital economy, thus challenging the Bank in achieving its goals. In this regard, risk management is one of the noticeable factors that help prevent, maintain and encourage the Bank to achieve its goals. The effective risk management reflects the organization's good governance, transparency, integrity and moral practice that will enable the Bank to achieve sustainable growth.

The Bank, as the leading financial institution of the country, gives emphasis to the systematic and effective risk management and control. The Bank has clearly established a framework for risk management structure, policies, as well as guidelines for risk management, covering aspects of risk management according to the requirements of the Bank of Thailand (BOT). Accordingly, the Bank has also adopted the framework of Committee of Sponsoring Organizations of the Treadway Commission (COSO), which is a framework for Enterprise Risk Management (ERM). The framework has been regarded as the structure of integrated risk management according to international standards. 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 manage risks for the whole organization. Additionally, Key Risk Indicators (KRIs), Risk Appetite, Risk Tolerance covering all risk factors and Risk Causes have been specified in order to control risk management within the risk appetite limit and in accordance with the set targets. Consequently, the Bank is able to identify the actual risk causes in order to establish appropriate management measures and preventive guidelines before incurring losses that might adversely affect revenue and capital funds. Risk Management Group was empowered by the Bank to oversee, monitor, access and report risk performance to the Risk Oversight Committee, the Audit Committee, and the Board of Directors on a regular basis.

In addition, the Bank has given importance to cyber risk management and data privacy according to Personal Data Protection Act (PDPA) by following and monitoring the risk closely to enable the Bank to operate its business continuously and

safely. The Bank's risk management framework will enable the Bank to achieve its objectives and goals that shall sustainably add more value to the organization, the shareholders and the stakeholders.

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 I-BEST moral identity, including training and seminars about risk management to the employees at all levels covering the Board of Directors, top executives and employees in every department of the Bank. As a result, 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. The training and seminars 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 20 subsidiary companies in the Financial Conglomerate, classified into 4 business groups, namely credit-related business, capital market business, insurance business and general services business supporting the Bank's operation (support business). The Bank had formulated 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.

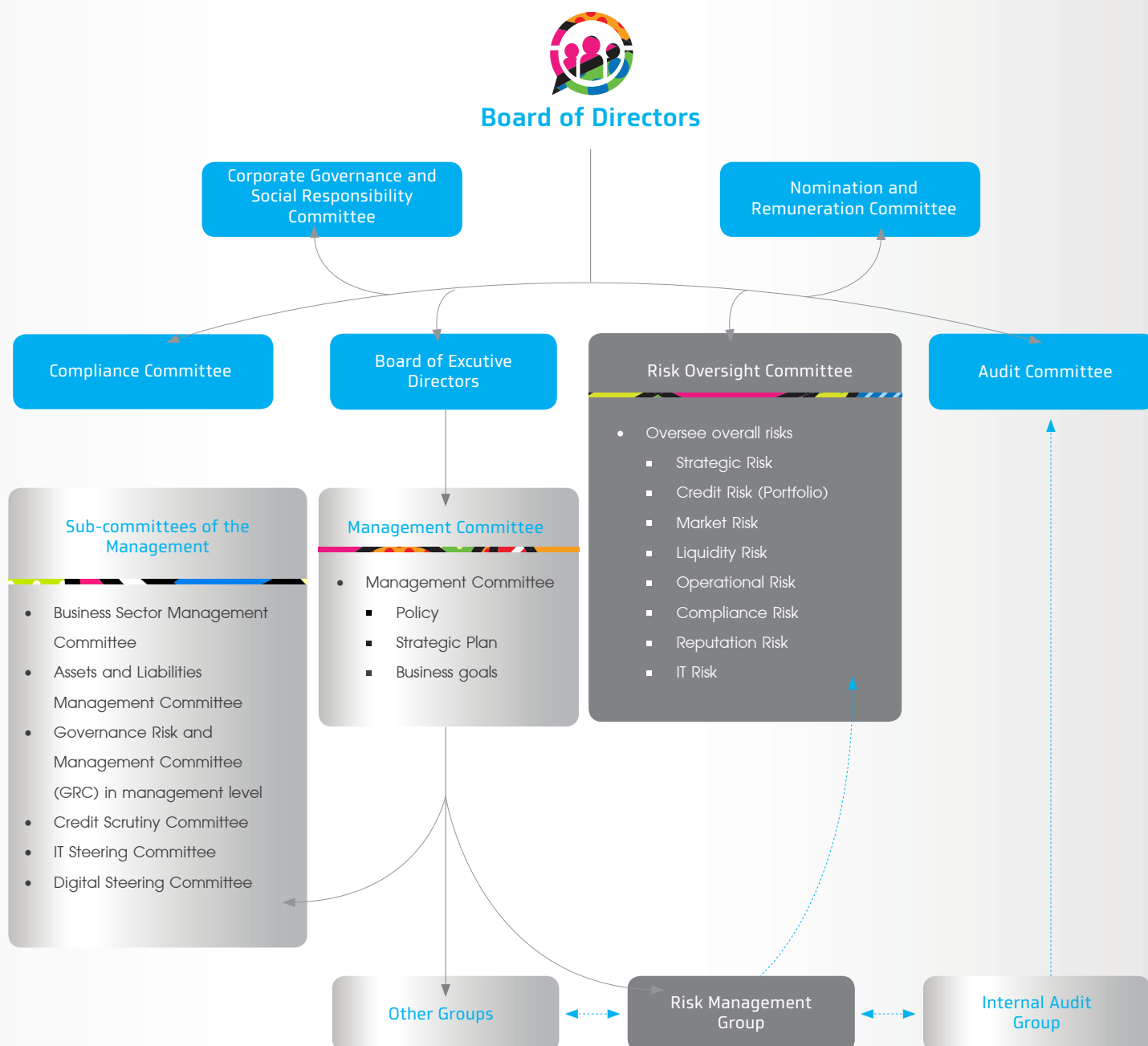
The Bank had encouraged the companies under Financial Conglomerate to have the risk management covering significant risks in compliance with the Internal Capital Adequacy Assessment Process (ICAAP), namely Strategic Risk, Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Reputation Risk, and IT Risk. In this regard, the Bank has continuously provided the training and relevant knowledge to the Financial Conglomerate. Furthermore, the Bank also oversees that its subsidiaries have used 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 Conglomerate successively.

- **Risk Management Structure**

The Bank sets up the organization and risk management structure effectively which is in line with principles of good corporate governance. Duty and responsibility are clearly segregated for each business unit. The Bank's Risk management structure consists of 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 Directors, the Board of Executive Directors, the Risk Oversight Committee, the Compliance Committee, the Audit Committee. In addition, there are other sub-committees of the Management to oversee and monitor risks consisting of the President 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, sources of repayment money. This will examine the loan applicant's repayment ability based on a number of factors, including risk factors that will prevent the Bank from receiving debt repayment. In case that the applicant is an entrepreneur or a juristic person, the Bank will analyze business status and competence of the loan applicant, such as assessing the executives or personnel, assessing industry trends and market potential, analyzing financial statements, 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 amount, the Bank has required Check and Balance process and credit risk rating as part of loan consideration and price valuation. In valuation, risk adjusted return on capital (RAROC) shall be considered.

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 complication in their businesses, loan approval relies on judgement and experiences of loan committees. Approval authority of the committees is based on the credit rating of and total loan limit of customers. The Bank has focused on establishing a quality credit rating process in order to better reflect the risks of its 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, approval authority of certain types of loans or low-risk loan transaction is delegated to individual level. 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 who have already been approved for loans 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 review of loans of all customers. The frequency of review depends on the risks of the customer. However, it must be reviewed at least every 12 months. After reviewing, the results will be used in

determining the suitability of the loan amount granted to the customer and the renewal of loan limit and its conditions. Furthermore, 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. Besides, it employs Early Warning system to help consistently and quickly monitor debtor's loan use and debtor quality and scheduled the frequency of customer's credit review in compliance with quality of each debtor.

Loan officers will keep track of customers based on their loan use behavior and payment behavior from various reports to prevent new loans from becoming NPLs. In addition, the Bank has set up an NPL and NPA management committee to manage NPL quickly and more efficiently.

- **Classification and Provisioning Policies**

- **Loan Classification Policy**

1. **Loan Classification Guideline**

The Bank has a loan classification guideline, dividing it into 3 stages to comply with the established accounting standards and the regulations of the Bank of Thailand, according to the Regulations on Asset Classification and Provisioning, which is effective from 1 January 2020 onwards. In addition, an internal audit agency, which is independent from loan business units, is established in order to create balance between each other (Check & Balance) by reviewing credit according to the standards of the Bank of Thailand.

2. **Loan Classification Criteria**

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

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

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

(3) Stage 3 or S3 refers to loans 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 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 loan, 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, whether pre-emptive debt restructuring or trouble debt restructuring (TDR) as the case may be, 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.

However, due to the wide and acute impact of COVID-19 pandemic on economy, making it highly uncertain, the Bank, therefore, has a temporary measure to assist debtors affected by economic disruptions from January 1, 2020 to December 31, 2021 in accordance with the Bank of Thailand's announcement on Relief Measures for Debtors Affected by Thai Economy Situation, dated February 28, 2020 and other relevant announcements. The measure mainly regards classification relief in case of debt restructuring as follows:

1. Non-NPL debtors can be classified into loans that do not have a significant increase in credit risk (Performing or Stage 1) without a follow-up result of repayment according to new debt restructuring condition. If the Bank finds that debtors can comply with debt restructuring condition from analyzing their financial status and business.

2. NPL debtors can be classified into loans that do not have a significant increase in credit risk (Performing or Stage 1) when debtors perform repayment according to new debt restructuring condition for 3 consecutive months or payment installments, depending on which one is longer.

As a result of the current COVID-19 situation, it is predicted that debtors will continue to be affected from December 31, 2021. The Bank of Thailand therefore has a guideline to help debtors affected by the COVID-19 disease (Sustainable Debt Relief Measure) from January 1, 2022 to December 31, 2023. Krungthai Bank has provided assistance for debtors, which is in line with the Bank of Thailand's guidelines, by dividing the debtors into 2 groups according to debt restructuring. In details, those groups are namely (1) Debt restructuring for debtors by

stipulating conditions to reduce the debtor's debt repayment burden, rather than extending the repayment period and (2) Debt restructuring for debtors by only extending the period. Measures to assist debtors mainly concerns relaxation of classification in the event that the Bank assists debtors as follows:

1. Debt restructuring for debtors by stipulating conditions to reduce the debtor's debt repayment burden, further than extending the repayment period.

(1) Non-NPL debtors can be classified into loans that do not have a significant increase in credit risk (Performing or Stage 1) without a follow-up result of repayment according to new debt restructuring condition, if the details and conditions for debt repayment in the new agreement or contract are clearly stated so and the Bank finds that debtors can comply with the conditions.

(2) NPL debtors can be classified into Performing or Stage 1 when debtors perform repayment according to new debt restructuring condition for 3 consecutive months or payment installments, depending on which one is longer.

2. Debt restructuring for debtors by only extending the period, the loan classification and provisioning shall be complied with to the Bank of Thailand Notification Re: Classification Criteria and Provisioning of Financial Institutions.

- **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 past information and forward-looking information which may affect the debtor's ability to repay 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 stricter criteria 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 Risks to the Bank's Business Operation

#### ■ Technology Disruption Risks

The COVID-19 pandemic has accelerated the Digital Economy, causing more customers to switch to digital channels, thus increasing the risk of Cyber Risk for the Bank. Additionally, Blockchain Technology leads to Decentralized Finance, resulting in new financial innovations such as Digital Assets, Cryptocurrency, Smart Contract and P2P Lending, etc. This has enabled other business groups to enter banking business to compete with banks directly, especially the Fintech group. Due to financial innovation driven by technological Innovation, most of the impact falls on traditional banking business. In particular, income from interest, fee or income from other services of banks tends to decline. This is because other competitors, especially Fintech group, are competing to offer more new forms of financial services, such as international money transfers, P2P lending, and other payment services, fundraising or investment in the form of Digital Assets. Furthermore, there is the emergence of platforms under official agencies such as National Digital Identity (NDID), Central Bank Digital Currency (CBDC) and Virtual Banking, which is a new industrial landscape for the Bank that must be closely monitored so as to prepare for new financial innovations. It is both a challenge for traditional banking and an opportunity for digital Banking to develop further, including seeking new business forms.

The Bank has implemented plans to protect its core business and respond to new risks in banking business to continuously cope with technology disruption risks and cyber risks, for example:

- Announcing the 2-Banking Models strategic plan, dividing into (1) Traditional Banking to protect the Bank's existing businesses and customers, and (2) Digital Organization to experiment and seek new business forms by utilizing technologies such as Artificial Intelligence (AI), Machine Learning (ML) Big Data and data analytics, etc.
- Establishment of Innovation Lab and Infinitas by Krungthai Co., Ltd. to research and develop digital financial systems or products.
- Establishment of Arise by Infinitas Co., Ltd. by jointly investing with Accenture Solutions Co., Ltd. to support digital talents and IT resources.
- Development of the "Pao Tang" application to be an Open Banking Platform to support digital services and connection with partners, especially the government sector.
- Participation in Regulatory Sandbox for platforms or products designated by official agencies

- Following up and discussion with regulators to prepare for addition business guidelines in accordance with the laws and regulatory guidelines. This includes considering licenses or new products or platforms that are appropriate for the Bank's context.

- Seeking partners to work together to strengthen the ability to develop new technologies or business models.

- Establishment of "Krungthai Compass" research center to analyze the overall economy and trends in each industry to strengthen the competitiveness in technology disruption era and to support the expansion of banking business.

- Introduction of Robotic Process Automation (RPA) to help in operation to work faster, reduce errors and operating costs.

- Branches adjustment to Digital Branch and adding digital advisors to persuade customers to switch to digital channels more.

#### ■ Cyber risk

Currently, the Bank uses technology and information technology systems as the main engine in driving business. Therefore, the Bank prepares for the risks arising from cyber threats. The Bank maintains a strict and strong security against cyber threats as well as being ready to deal with cyber threats by providing a supervisory framework and risk management in terms of outsourcing, staff operation, processes and tools to reduce the impact on customers and the reputation of the Bank.

The Bank has established regulatory guidelines for Information Technology Risk Management, conducts Cyber Inherent Risk Assessment, Third Party Risk Management, and stipulated cyber risk management guidelines. Additionally, the Bank specified the security control measure (Maturity level) based on 5 fundamental risk factors in information technology as follows:

1. Technology and connections to prevent cyber inherent risk from vulnerabilities of new technology that have not yet been detected, old fashioned technology, insecure connection, fraud from third parties or management of the security of hardware, software, information and work systems.
2. Service channels that are connected to external networks such as internet banking, mobile banking or the Bank's website for preventing cyber risks across all service channels.
3. Products and services such as real-time online money transfer transactions and technology services to government organizations.
4. Hire of external service providers in responding to the operations of information technology for controlling the risk of cyber-attacks.



5. History of cyber threats or past cyber-attacks such as phishing, malware, social engineering or DDoS.

The Bank has a business strategy that focuses on integrated electronic banking services through implementing sophisticated and diverse new technologies to manage its information technology infrastructure, product development and providing more financial services. The Bank has operated business in many countries and also provided information technology systems to third parties accordingly.

The Bank has established guidelines for cyber risk management and security control measures and has tools for identifying, evaluating, monitoring, mitigating, controlling and reporting risks in a timely manner. The guidelines for cyber risk management and the required security controls for each maturity level, i.e., baseline, intermediate, and advanced cover 6 main aspects of cyber risk management as follows:

1. Governance is a guideline for cyber resilience. Cyber resilience strategy and policy, risk management, internal audit, personnel allocation and development, overall supervision and risk management of the organization are formulated in accordance with the same standard.

2. Identification is a guideline for determining the scope and method of cyber risk assessment, information technology asset management. This includes adding, migrating, moving and setting up hardware devices, data software and related work systems to be able to manage, control and mitigate risks appropriately and promptly.

3. Protection is a guideline for controlling and preventing risks of information technology infrastructure, covering network systems, hardware accessories, data software and work systems such as setting up the work system, access control, data security, secure work systems development, patch management to control or minimize the impact on cybersecurity.

4. Detection is a guideline for finding, testing and managing vulnerabilities in information technology. It is able to detect, analyze, monitor and alert cybersecurity incidents to the organization or the responsible person so that corrective action can be taken.

5. Response and Recovery is a guideline for cyber incident response management, i.e., preparing and testing an incident response plan, investigating and analyzing causes, resolving incidents, and preparing reports for submission to the Bank's designated committee.

6. Third Party Risk Management is a guideline for managing risks arising from outsourcing services third parties. There is a risk assessment of outsourcing services before employment contract and at the end of the services, assessing the suitability, tracking and evaluating performance, and

reviewing performance results. This is to ensure that the external service providers can perform the tasks for the Bank according to the specified goals and conditions without causing cyber risks that affect the operations and services.

The Bank gives precedence to information technology covering applications, information, infrastructure, operation, people and process in an attempt to establish IT Best Practices that help prevent any risk or damage that might occur to the Bank. The IT Best Practices prescribed by BOT are under 3 major principles as follows:

1. Confidentiality
2. Integrity
3. Availability

In addition, the Bank has declared policy and procedure of IT security protection and reviewed the standard of IT security to comply with current regulations of the Bank of Thailand or meet international standards. IT Steering Committee was appointed to oversee the Bank's IT risk in order to give suggestions that will improve the process and boost confidence in the Bank's IT security, consider risks that may pose threat to the Bank's operation and boost confidence in the Bank's IT security and prepare for Personal Data Protection Act (PDPA).

#### ■ Climate Change Risks

The Bank's assessment of the impacts from climate change or natural disasters can be considered in 2 dimensions, namely risks in work and business operation of the Bank and risks that may affect the customers' ability to operate business and pay debts, 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 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 established 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 crisis 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 responsible for taking care of the customers to closely monitor the situation. Surveillance, impact

reports and damage surveys are conducted 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 relieve further.

#### ■ Pandemic Risk

Due to the spread of COVID-19 all over the world, each country continues to monitor and take measures to reduce the spread of COVID-19 to a controllable level. Although measures began to be eased, there are still new variants of COVID-19, which could be more contagious and have more serious health consequences. Existing vaccines may not provide protection against the new variants. This affects employment, consumption and may eventually lead to a severe economic downturn. In regard to the Bank, it may face increasing credit risks due to the fact that most customers have a lower repayment ability and weaker financial position. The bank, therefore, has to increase provisioning to maintain the coverage ratio according to the current and future credit quality, affecting its financial position and profitability.

The Bank has taken steps to respond to such risks through measures and programs, including adjusting its business models. For instance:

1. The Bank has issued assistance measures to customers affected by the COVID-19 pandemic in accordance with the measures and policies of the Bank of Thailand (BOT), with the aim of helping both retail and business customers. The measures' purpose is to reduce the financial burden of customers to be able to continue their business and also slow down the impacts of deteriorating loan quality, such as the suspension of both principal and interest payments, the extension of the repayment period, etc.

2. The spread of the COVID-19 virus has affected the Bank's business operations in each business unit, including providing services to customers, for example, the decreasing number of employees working at office buildings according to the government's Social Distancing measure, temporarily closing branches in department stores in accordance with the government's lockdown measure. The Bank has guidelines for managing during the of COVID-19 pandemic in order to be able to operate the business as follows:

- 1) Be attentive and follow up on the COVID-19 situation, as well as communicating and publicizing information about the disease and pandemic situation in Thailand and around the world continuously through communication channels of the Bank so that employees have understanding and are aware of practices to prevent infection.

- 2) Set up a COVID-19 Hotline Center within the Bank under the responsibility of the Human Resources and Corporate Governance Group. The Hotline Center receives reports of suspected

cases that may cause the spread of the disease and give advice to the Bank's employees on infection prevention, as well as provide help when employees are infected with the COVID-19 virus.

- 3) Appoint a surveillance committee and set forth management measures during the COVID-19 pandemic (War Room). The committee consists of the President, related Group Heads and Sector Heads such as Risk Oversight Group, Operation Group, Human Resources and Corporate Governance Group. The objective is to monitor the situation within the Bank, as well as formulating policies, guidelines and measures to deal with the COVID-19 pandemic, which are integrated in all dimensions to ensure that the Bank can respond and cope with the impacts in a timely manner.

- 4) Implement the Business Continuity Plan (BCP) by setting a strategy for every business unit to divide employees into 3 teams, namely Team A working at the main office building, Team B working at alternate sites, and Team C working from home. This is order to respond to the pandemic situation and to be able to cover each other with the details as follows

- Core business functions (CBFs) units or units with an alternative site, divide employees into Team A, Team B, and Team C.

- Other business units divide employees into Team A and Team C.

- 5) In performing work, avoid meeting and direct close contact between business units and employees. Employees are required to use G-suite technologies such as Google Chat/ Google Meet/ Google Mail for communication or meetings. The Bank also publicize to its customers to use services via electronic devices (such as ATM and ADM) and online services (such as Krungthai Next and Pao Tang Application) to reduce crowding at branches.

#### 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 arise from the counterparties failing to perform in compliance with the covenants as stated in the contract agreement; including the counterparties' credit rating get diminished which shall cause adverse effects over the Bank's income and capital funds maintenance. Thus, 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 tolerance in order to stipulate the Bank's credit business strategy and to set the target customers.

The Bank conducts credit risk management continuously, 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 corporate loans, as well as underwriting criteria and product program for retail customers and SME-M loan customers, including the review and improvement of credit risk management policies and guidelines. This is to develop competitiveness, encourage business growth and monitor risks within acceptable limits, 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 program for retail loans to be appropriate and in accordance with the current situation and the notification of the Bank of Thailand. The criteria for loan consideration for mortgage loan, personal loan, and sSME loan have been revised. For example, personal loans under supervision provide a double credit limit for those whose income is less than 30,000 baht, temporarily without limiting financial institutions, ending on December 31, 2022. For housing loans, the LTV Ratio has been temporarily adjusted for not more than 100 for the 1st, 2nd, 3rd contracts, ending on December 31, 2022.

The Bank has revised the criteria, borrower qualification, loan term, ability to pay, collateral value to comply with new products. Also, the Bank has improved credit risk assessment tools and created sustainable business competitiveness by integrating risk management with business operations and being in accordance with the Bank's strategic plan. However, housing loans continue to be provided for the country's leading real estate developers. Most personal loans are provided to officers of government agencies and state enterprises as well as agencies that have agreements with the Bank. Products for small business loans have been developed in line with the Bank's strategy to continuously expand credit to sSME customers.

■ **Medium Enterprises Loans and Corporate Loans**

The Bank optimizes capabilities to access, control and monitor and report portfolio-level risk at the level of individual exposures by designing and developing working process for early risk warning in a timely manner through Early Warning System (EWS). There is an alert system for customer care staff to allow them to adjust management according to the customer's risk level. The system classifies into SME-M customers (EWS for SME-M), SME-L customers (EWS for SME-L) and Corporate Banking Center (EWS for Wholesales).

1. Early warning system for SME-M: EWS for SME-M will signal to notify customer behaviors that are processed from statistical model and workflow according to level

of the incurred risk relating to automatic review of loan renewal through Credit Review System (CR) and editing and improving credit quality through Turnaround System (TA). Consequently, the Bank can oversee customers since the beginning phase of loan withdrawal. The Bank also provides the full-fledge procedure to daily monitor customers until reaching the date of annual loan renewal. These 3 systems, namely EWS, CR and TA, are cooperated and associated in the form of the End-to-end Process.

2. Early warning system for SME-L and CBC: EWS for SME-L will signal to notify of customer behaviors that are processed from statistic model and workflow according to level of the incurred risk relating to automatic review of loan renewal through Credit Review System (CR). The system also notifies the review of credit rating via EWS respectively.

The EWS system also provided a function to notify and monitor customers' daily risk, for example indicating last 12-month risk history, reporting days of delaying payment in each debt period (DPD Splitter) classified by loan department in order to monitor and control credit quality, risk monitoring for rice mill and field crop entrepreneurs as well as monitoring the compliance with the share pledging conditions. The EWS also improved the notification of loan renewal/ credit review as well as the notification of credit rating review in order to notify the officers so that they could monitor and review customers' credit risks in every aspect, i.e., finance, liquidity, business operation, ability to repay, financial statements, use of credit limit and 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 customers and effectively monitor credit policy compliance.

For SME-L and SME-CBC customers, the Bank uses credit risk rating 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 including transactions made with the Financial Conglomerate to reflect all credit risks of the customers that the Bank and its Financial Conglomerate are facing.

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. The Bank utilized credit risk data mart to develop statistical model 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 group in line with the risk level in order to set as guideline in managing credit portfolio of industrial group as well as provided stress test 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 consistent 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. In addition, 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.

#### ■ Counterparty Credit Risk

Counterparty Credit Risk refers to a risk that 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 limit 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 used Sensitivity Analysis to test the impacts on counterparties if a crisis arises and reports 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 in the event that the fair market value of any contract deviates beyond an agreed threshold.

#### ■ Non-Performing and Collateral Value Impairment Risk

If non-performing increases, the Bank must have more expected credit losses, which will affect its operating performance, financial status and capital adequacy. However, the Bank initiated the corrective measures for controlling non-performing. The business units, which are responsible for credit extension, are required to control non-performing amount. Additionally, the Bank carries out the process to manage the customers that might become non-performing as well as improving the credit approval authority and debt restructuring. These actions aim to increase more efficiency to the credit considering process and get better control over risks. Besides, the Bank has continuously enhanced the risk assessment tools, which shall help facilitate the process of customer selection to achieve greater efficiency.

#### 2.2.3 Market Risk

Market risk refers to the risk that the Bank may sustain loss from changes in value of the position stated in the statements of financial position and off-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.

The Bank assigns a department in Risk Management Group, which is independent of the Front Office, to control risk with the purpose of ensuring transparency and effectiveness in accordance with 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 techniques as Value at Risk (VaR) and Sensitivity, while the banking book position shall be monitored based on the net interest income change and economic value change by formulating 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.

The Bank oversees the risk of the companies in financial conglomerates by monitoring risk indicators and requiring the companies to submit their operating performance report and risk management result to the Risk Oversight Committee regularly.

In 2021, the trading book portfolio 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 negative impact on net interest income, market values of items in trading accounts and other income and expenses related to 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. Market Risk Management Department was also required to present risk management report to the Risk Oversight Committee on monthly basis. Hence, the Bank also formulated guidelines to ensure the readiness when dealing with the breach of each prescribed limits as per approval.

#### ■ Interest Rate Risk in the Trading Book

Interest rate risk in 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.

The change of interest rate in the market is caused by factors such as the COVID-19 epidemic, which raises concern for investors, policy rate adjustment from the Bank of Thailand, US

bonds interest rate. However, the Bank has monitored and controlled interest rate risk within acceptable risk appetite by formulating risk limit and indicators, 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.

#### ■ 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 causes a decrease in the Bank's asset value and the loss of income or foreign currency exchange. Exchange rate fluctuation is caused by factors such as a decline in number of foreign tourists due to the COVID-19 outbreak, the movement of foreign investment, export situation. In this regard, the Bank had monitored and controlled foreign exchange risk within acceptable risk appetite by formulating risk limit and indicators, 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.

#### ■ Equity Price Risk

Equity price risk refers to the risk arising from changes of equity securities prices/stock market index giving an adverse impact on income or capital funds, resulting in decline of investment securities for trading. The fluctuation of equity prices is caused by factors such as the Lock Down/Reopening of the country as result of COVID-19 outbreak, the overall economic growth rate, movement of foreign markets, etc.

The Bank had monitored and controlled equity price risk within acceptable risk appetite by formulating risk limit and indicators, performing stress testing on monthly basis, requiring presenting risk management report to the Executive on daily basis and to the Risk Management 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

Commodity price risk refers to the risk arising from changes of commodity prices that gave an adverse impact on income or capital funds. As the Bank did not have the policy regarding positions taking, the Bank managed the risk by using 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 3 Line 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 audit in charge of auditing and testing business process and risk management process 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 engages 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).

The Bank has set Risk Appetite and Risk Tolerance of the Operational Loss Data in the Operational Risk Management Policy, which shall be reviewed annually, in order to be in line with the Bank's strategic plan and appropriately manage operational risks. In regard to monitoring 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 (if any) so as to close the gap of incidents and monitor the effectiveness of the implemented control to the Management Committee (MC) and the Risk Oversight Committee (ROC) on a monthly basis. This process is carried out continuously.

The Bank has stipulated policies and operating regulations in case of business units wish to use outsourcing

services. The policies cover the selection of suitable service providers. There are assessments and guidelines to control risks that may arise from outsourcing services and to monitor, oversee, and evaluate the service periodically according to each service.

In addition, the Bank has established a Business Continuity Management process and a Business Continuity Plan that covers emergencies or crises that may affect business operations and outsourcing services. The plan is divided into organizational level (for instance, during a pandemic and fire emergency) and main transaction level (for instance, money management transactions and cash management transactions). It is required that the plan be tested and reviewed in a specified period of time.

## 2.2.5 Other related risks

### ■ Liquidity Risk

Liquidity risk is the risks emerged 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 2021, the overall liquidity in the money market remained high. However, the Bank released a deposit product to maintain its customer base. As on December 31, 2021, 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 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 risk liquidity triggers for both Thai Baht

and significant foreign currencies approved by the Bank committee 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 investment 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 investment funds, etc. Moreover, the Bank has adjusted the data to conform with the actual behavior in both normal and crisis situations. The Bank has prepared a liquidity emergency plan 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 cost.

##### ■ Capital Management

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

As at 2021-year end, the Bank's capital adequacy ratio (Consolidated Financial Statements) was 20.12 percent. After stress testing, CAR was higher than the minimum requirement set by BOT. This 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 conglomerate to BOT quarterly and discloses information on capital fund and risks of the conglomerate as scheduled on the Bank's website. In this regard, the Bank and its financial conglomerate'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 risky 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 both quantitative and qualitative aspects so as to prepare for business operation in the future.

##### ■ Reputation risk

Reputation 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. For example, information on the Bank's financial strength and credibility. 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 risk factor, reputation risk index as well as Risk Appetite and Risk Tolerance. Risks are monitored by observing indicators and a report is submitted to the Management Committee (MC) and the Risk Oversight Committee (ROC) on a monthly basis.

#### ■ Strategic Risk

Strategic risk is the risk generated from inappropriate strategic planning, operation 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. In addition, monitoring 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 environment. 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 the statement of Direction (SOD), 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 were impairment of assets, which is caused by the changes of properties condition or environment, for instance physical deterioration of the property, flooding, natural disasters, economic situation, 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. Hence, the risk level depends on property types, quality of property, and change of market price and duration of ownership. 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.

In addition to risks from 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 Bank of Thailand's regulation on Asset Classification and Provisioning of Financial Institutions. In 2021, the Bank had some quantity of foreclosed property that reached provisioning date. In this regard, the Bank had provisioned for this part of foreclosed property in accordance with the abovementioned criteria correspondingly.

#### ■ Economic Condition Risk

Thai economy in 2021 did not fully recover after facing the resurgence of COVID-19 pandemic. It was expected that the economy would expand slightly from the previous year at 0.9 percent as assessed by the Bank of Thailand (BOT) in December 2021 from a recession of 6.1 percent in the previous



year. Although Thailand's exports grew more than 10 percent, which was in line with the positive economic direction of major trading partner countries. Exports was also considered an important force that would drive Thai economy to expand in 2021. Nevertheless, with the COVID-19 outbreak, the Delta variants caused severe and lasting impacts throughout the second and third trimesters, domestic demand did not fully recover and the tourism sector remained sluggish. This made the economic recovery even more different in both business and labor market dimensions (K-shaped recovery). Small and medium-sized businesses, including low-income households, were vulnerable despite government's aid and remedial measures of living expenses for those who are continuously affected by COVID-19 situation. In the same direction, the Bank of Thailand set forth measures to ease monetary policy through lowest policy interest rate in the history, along with measures to help retail debtors, debt restructuring measures, as well as promoting access to liquidity through soft loan measures. The Bank closely monitored economic risks and assessed impacts under a comprehensive crisis test that helped reduce the consequences on the Bank's business operation 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 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 December 31, 2021) 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 Company's Articles of Association,

an increase/decrease in registered capital. Furthermore, the Bank appointed the Independent 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 December 31, 2021, the Bank has 6 independent directors out of a total of 12 directors) Apart from the Independent Committee, the Bank also appointed the Audit Committee, which consists of 3 independent committee 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

From the pandemic situation of COVID-19 and the current of technological change or digital disruption that is full of challenges, Krungthai Bank continues to stand 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 financial and banking system along with enhancing the balance in 3 dimensions, namely environment, social, and governance (ESG). This is an important part in improving the quality of life through the development of modern digital technology, combined with the policy support of the government sector, including the implementation of creating shared value schemes that are ready to deliver universal and equal assistance in line with the Sustainable Development Goals of the United Nations and the Paris Agreement.

Throughout the past year, the Bank conducted its business in accordance with the vision “Growing Together for Sustainability” and the mission “To empower a better life for all Thais” in order to effectively drive the business towards sustainability and achieve success. It believes “Doing Well by Doing Good” increases the efficiency of traditional and speedboat business models that are ready to propel itself into science and new technologies to satisfy all the needs of customers and people quickly. For this reason, the Bank has laid a digital financial foundation on both the closed system (the Krungthai NEXT application) and the open system (the Pao Tang application), which is the Thailand Open Digital Platform that connects all 5 ecosystems to strengthen all dimensions. For **government agencies**, the Bank was involved in economic stimulus measures, for example, the Rao Mai Ting Gun (No One Will Be Left Behind) scheme, the Chim, Shop, Chai (taste, shop, spend) scheme, the “Rao Tiew Duay Kan” (We Travel Together) scheme, “Khon La Khrueng” (Let’s Go Halves) scheme, “Rao Chana” (We Win) scheme, and “Ying Chai Ying Dai” (The more you spend, the more you get) scheme. For **payment**, the Bank offered a transformative investment through the Money Connect by Krungthai service, an online securities subscription system that is easy to use and meets investment needs in all dimensions. It was also a leader in digital bond trading with 1 BahtBond, the first PTTEP bond trading wallet in Asia, and investing in gold with Gold Wallet, as well as providing the Krungthai Travel Card service and Krungthai WARP overseas money transfer service. For **education**, the Bank has supported and promoted the education management system through the Smart University scheme. For **health and wellness**, the Bank has developed the Pao Tang application to support registration and reservation for vaccination against COVID-19 in the Thai Ruam Jai Safe Bangkok scheme, including Health Wallet, to increase the channel for accessing public health services more thoroughly.

For **Mass Transit**, the Bank has also offered more electronic payment channels. All of these have resulted in the Bank’s becoming a leader in the country’s digital financial system. This is reflected by the number of users of the Bank’s digital platforms with the highest total number of users: more than 33 million users of the Pao Tang application, more than 1.5 million users of the Tung Ngern application, more than 13 million users of the Krungthai NEXT application, and more than 16 million users of Krungthai Connex.

In addition, the Bank recognizes the importance of the changes that will take place. To provide flexibility in operations, meet the new business model, and be ready to enter the competition of the future world, the Bank has adjusted the operation model to be flexible and agile, and joined forces with its subsidiaries and partners to seek more opportunities in the digital business world. The Bank established Arise by Infinitas Co., Ltd., which is a collaboration between Infinitas by Krungthai and Accenture Solutions, the world’s leading technology company, to discover digital talents from all over the world and create an opportunity to become a leading digital company on a global scale. Although running a business will be full of challenges, one thing that Krungthai Bank will always adhere to is conducting business on the basis of accuracy, transparency, and striving to be a moral organization, along with developing personnel to have knowledge, re-skill, and up-skill to meet needs in the digital age. This is a key force in driving the organization to have growth and stable progress. The next step will be another proof of Krungthai Bank courage to change to maintain the level of leadership in the banking and finance business, courage to change to help improve people’s quality of life and strive to develop the country’s economy towards Thailand 4.0, which is driven by technology creativity and innovation, and it will remain a state-owned commercial bank to support the Thai people and grow sustainably.

#### 3.1 Sustainability Management Policies and Goals

The Bank has established policy frameworks, guidelines and goals in the following topics:

##### Environment

1. Environmentally and socially responsible lending and good governance promotion are conducted under the framework for responsible lending (RL) and the concept of sustainable development at the international level, which are taken into account together with the Bank’s identity and integration with environmental, social, and governance principles (ESG) in order to conduct socially and environmentally responsible banking services and operations.

2. Environmental risk management affecting the operations of the Bank and credit portfolio, such as physical climate change and policies and regulations on net zero emissions.

3. Efficient use of resources related to the Bank's internal management of electricity, water, waste, and greenhouse gas (GHG) emissions from the Bank's operations for maximum efficiency.

## Society

1. Fairness that focuses on operating in accordance with market conduct in order to deliver fair products and services

2. Human resources that focus on employment, diversity, employee potential development

3. Human rights that focus on the fundamental human rights of employees, customers, and business partners of the Bank

4. Comprehensive finance that focuses on product offerings and providing diverse services to people at all levels

5. Community engagement through the operation of the Go - Local, Grow - Local Project to improve the quality of life of the community

## Governance

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

2. Compliance with rules, regulations, and requirements through creating a zero-tolerance culture within the Bank

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

4. Cyber security operations to prevent damage from cyber attacks

5. Privacy policy to set guidelines for care and use of the customers' personal data

Details of operations have been disclosed at <https://krungthai.com/th/sustainability/esg-policy/environmental/climate-risk>

The Bank aims to be a sustainable bank with sustainable growth, adaptation, and risk management capabilities, as well as having the ability to stand up in the midst of change and unstable volatility, or resilience. The Bank continues to develop product and service innovation, improve operational efficiency, have human capital development, management with good governance principles, and regulatory compliance in order to have efficient business operations and to maintain the trust of customers, shareholders, and business partners, including conducting business with socially and environmentally responsible banking services and operations

To achieve the above policies and goals, the Bank has established a sustainability management framework so that

everyone in the organization operates in the same direction. The sustainable banking framework is divided into 3 dimensions based on the nature of the Bank's business and consideration of stakeholders as follows:

1. Economic Sustainability is important to shareholders, customers, executives and employees.

2. Operational Sustainability is important to customers, business partners, executives, employees and bank regulators.

3. Social and environmental sustainability are important to the banking sector, the economy in all sectors, the environment and society of Thailand and the global community without limitation to the Bank's customers.

The Bank has determined the Strategic Execution that will be the pillars of the Bank's operations in five areas for the Bank's sustainable development in all 3 dimensions as follows:

1. Sustainable Growth Focus: The Bank uses strategies that can generate continuous good results. Good asset quality is maintained. Business strategies are used to increase the use volume of the Bank's services.

2. Courage to adapt and experiment with new business models or provide new services enables the Bank to survive in a new context. The agile organization is used as a pilot to provide the Bank with innovations that can meet the needs of customers and the ever-changing financial evolution. This will enable the Bank to remain competitive in the increasingly competitive financial and banking sector.

3. Digitization of Operation allows the operations to be more efficient and stable. It will reduce operating costs in terms of both money and time, especially by being a paperless organization, which reduces document storage space, creates waste, and can handle confidential documents more efficiently. This includes an increase in the ability to use digitally collected data for analysis for product development and risk management purposes with more convenience and ease.

4. Supply chain finance starts with collaborating with government agencies and connecting with business partners and retail customers, especially the target customers in the 5 ecosystems through a digital platform that offers a full range of products and services. It focuses on customer centricity when designing products and services. This allows the Bank to maintain its existing customer base and expand the market to new customer groups at the same time.

5. The use of human resource strategies and the implementation of the Sustainable Krungthai Initiatives are used to drive the Bank to carry out operations with sustainable development and in accordance with the rules and regulations, including gaining confidence from stakeholders and contributing to the development of society, the environment, and the economy of the country.

Table of Sustainability Material Issues of Strategic Pillars and Sustainability Dimensions

Sustainability Dimensions	5 Strategic Pillars				
	Core Growth	Speedboat	Digitization	Supply Chain Finance (X2GX)	Sustainability Enablers
Economic sustainability	<ul style="list-style-type: none"> <li>• Sustainable Growth &amp; Profit</li> <li>• Financial Risk Management</li> <li>• Climate Risk Management</li> <li>• Research-driven Strategy</li> <li>• Customer Relation Management</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable Growth &amp; Profit</li> <li>• Innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable Growth &amp; Profit</li> </ul>	<ul style="list-style-type: none"> <li>• Risk Management</li> <li>• Reputation / Branding</li> </ul>
Operational sustainability			<ul style="list-style-type: none"> <li>• Digitization of Operation (more efficiency)</li> <li>• Eco-efficient Operation</li> </ul>		<ul style="list-style-type: none"> <li>• Good Governance</li> <li>• Regulation Compliance</li> <li>• Operational Risk Management</li> <li>• HR Mgt/Dev.</li> </ul>
Environmental and social sustainability	<ul style="list-style-type: none"> <li>• Sustainable Finance               <ul style="list-style-type: none"> <li>- Responsible services e.g. promoting socially responsible investment, financing SDG-related projects, Sustainability-linked products</li> <li>- Financing ESG projects e.g. Green financing, Responsible lending</li> <li>- Not Financing non-ESG projects</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>• Reduction in paper usage and waste</li> <li>• Transparency</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting economic growth</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable Finance               <ul style="list-style-type: none"> <li>- Responsible services e.g. Green Investment, Environmental-linked bonds</li> <li>- Financing ESG projects e.g. Green financing, responsible lending</li> <li>- Not Financing non-ESG projects</li> </ul> </li> <li>• Business Ethics and Customer Trust</li> <li>• Transparency and Fairness</li> <li>• CSV activities</li> </ul>



## 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 management for customers and people. There are sources of funds such as deposits, 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 the Krungthai NEXT application. It also includes interbank lending, interest from loans, and other important sources of equity, namely debt instruments issued and borrowing, equity, and fees incurred from bank services from agents or brokers, such as providing fund management services and collecting 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 non-performing loan management and proper management, including considering liquidity and regulations that change in line with technology advances, with the goal of creating maximum added value for

shareholders under the regulations and supervision of agencies, including the Bank of Thailand and the Stock Exchange of Thailand.

The Bank uses these funds through its various business operations, most of which are in various types of lending, 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 transactions of investments in debt securities, net profit from investment, and share of profit from investments under the equity method.

In this regard, financial services are considered a service business. Therefore, the Bank attaches great importance to value chain management to effectively meet the needs of the stakeholder groups and create sustainable growth for the organization. All six stakeholder groups have been identified, namely employees, customers, shareholders, agencies, business partners, and society.

### 3.2.2 Business Value Chain Stakeholder Analysis

Stakeholder	Process	Frequency	Need	Guideline
Employees	<ul style="list-style-type: none"> <li>- Open to suggestions, problems and complaints from employees through three channels; direct email to the executives, HR Care and HR Hotline</li> <li>- Employee engagement survey</li> <li>- Performance appraisal</li> <li>- Employee trainings and development</li> <li>- Meetings and Seminars with employees</li> <li>- Fraud report through email: <a href="mailto:whistle@krungthai.com">whistle@krungthai.com</a></li> </ul>	<ul style="list-style-type: none"> <li>- Open for suggestions throughout the year</li> <li>- Employee engagement survey twice a year</li> <li>- Performance appraisal once a year</li> </ul>	<ul style="list-style-type: none"> <li>- Income, benefits, and welfares</li> <li>- Inspiration for working</li> <li>- Interesting and valuable work</li> <li>- Work-life balance</li> <li>- Opportunity to learn and career advancement</li> <li>- Recognition</li> <li>- Environment and work facilities</li> </ul>	<ul style="list-style-type: none"> <li>- Treat employees fairly and appropriately and respect for human rights</li> <li>- Create an environment for employees to participate in offering useful feedback</li> <li>- Provide engagement activities for employees</li> <li>- Encourage good health and well-being of the employees by providing facilities and activities</li> <li>- Provide training plans for employees and develop their career path</li> <li>- Provide a work environment that is safe, hygienic and conducive to work.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>- Customer satisfaction and corporate image survey</li> <li>- On-site visits to interview customers to find pain points or opportunities to develop products or improve processes</li> <li>- Customer engagement survey</li> <li>- Provide channels for customer complaints</li> <li>- Meet with customers to offer financial products and services</li> <li>- Communicate via online media</li> <li>- Arrange seminars to provide knowledge about finance and business for customers</li> </ul>	<ul style="list-style-type: none"> <li>- Customer satisfaction and corporate image survey at least once a year</li> <li>- Customer visiting 1-2 times a year</li> <li>- Customer engagement survey throughout the year</li> <li>- Customer complaint service survey throughout the year and visit customers 2-4 times a year</li> <li>- Send Marketing emails to customers who are interested in receiving business knowledge, news/activities once a month.</li> <li>- Promote loan products through online advertisements throughout the year.</li> <li>- Communicate new products or services to the public via online media</li> </ul>	<ul style="list-style-type: none"> <li>- Financial products and services which meet the needs of each customer group</li> <li>- Receive proper services and handle complaints effectively</li> <li>- Receive proper services and effectively handle customer complaints</li> <li>- Needs to join activities or receive news about both knowledge and products of the Bank regularly</li> <li>- Correct and beneficial information, including hearing suggestions</li> </ul>	<ul style="list-style-type: none"> <li>- Develop and offer products and services that meet the needs of each customer group</li> <li>- Improve procedures to be fast and meet the needs of customers</li> <li>- Handle complaints as specified by Service Level Agreement (SLA)</li> <li>- Deliver news and product information to customers via SMS/Email</li> <li>- Promote loan products via online advertisement to target groups</li> <li>- Register for those interested in the products on the website <a href="http://krungthai.com/th/content/sme">krungthai.com/th/content/sme</a></li> <li>- Provide services with willingness, provide correct information to make customers confident, keep them up-to-date with the situation, contact the Bank easily and give customers the opportunity to evaluate the service of the employees.</li> </ul>

Stakeholder	Process	Frequency	Need	Guideline
Shareholders	<ul style="list-style-type: none"> <li>- Arrange the Annual Generating Meeting for shareholders to understand the Bank's policy and answer questions at the meeting</li> <li>- One-On-One Meeting &amp; Conference Call</li> <li>- Meeting of analysts and institutional fund managers in the country</li> <li>- Arrange investor roadshow</li> <li>- Disclosure of important information, news and financial information through the Bank's website</li> </ul>	<ul style="list-style-type: none"> <li>- Arrange the Annual Generating Meeting for shareholders</li> <li>- One-On-One Meeting &amp; Conference Call throughout the year</li> <li>- Arrange investor roadshow throughout the year</li> <li>- Meeting of analysts and institutional fund managers every quarter</li> </ul>	<ul style="list-style-type: none"> <li>- Sustainable returns</li> <li>- Transparent disclosure of information</li> </ul>	<ul style="list-style-type: none"> <li>- Pay dividends appropriately in accordance with the established policies.</li> <li>- Operate the business in accordance with the principles of good corporate governance and strictly follow the business ethics</li> <li>- Disclosure of sensitive information and regular financial information through various channels such as meetings, conferences and the Bank's website.</li> </ul>
Regulatory agencies	<ul style="list-style-type: none"> <li>- Meeting to acknowledge policies and regulatory guidelines</li> <li>- Receiving audit from regulatory agencies</li> <li>- Conduct a report to submit to regulatory agencies, and get Feedback</li> </ul>	<ul style="list-style-type: none"> <li>- Throughout the year according to time frame of each business unit and regulators</li> </ul>	<ul style="list-style-type: none"> <li>- Conduct business in compliance with laws, regulations, and manage the operations efficiently</li> <li>- Security of the Bank's work system</li> <li>- Transparency of the organization and its work system</li> <li>- Provide services to customers fairly</li> </ul>	<ul style="list-style-type: none"> <li>- Adhere to assessment principles of the Bank, both in the form of self-assessment and award criteria in various fields to improve the process to be efficient</li> <li>- Code of conduct for fair and transparent business operations</li> <li>- Strictly comply to the Bank's regulations</li> <li>- Propose suggestions, observations and feedback from regulatory agencies to handle and improve work process to align with international standard</li> </ul>
Partners	<ul style="list-style-type: none"> <li>- Open to suggestions, problems and complaints through the merchant registration system on the Bank's website (Krungthai.com)</li> </ul>	<ul style="list-style-type: none"> <li>- Operate all the time</li> </ul>	<ul style="list-style-type: none"> <li>- A clear procurement policy of the Bank</li> <li>- Cooperation and coordination to achieve goals</li> <li>- Fair, transparent, and auditable procurement</li> </ul>	<ul style="list-style-type: none"> <li>- Stipulate clear procurement regulations and policy which gives complete information</li> <li>- Process a fair, transparent and auditable procurement</li> <li>- Perform in accordance with trade conditions and agreement</li> <li>- No acceptance of any gift, present, private or group invitation for which the partner is financially responsible</li> </ul>

Stakeholder	Process	Frequency	Need	Guideline
Society	<ul style="list-style-type: none"> <li>- Open to opinions from communities through various social activities conducted by the Bank, including performance evaluation</li> </ul>	<ul style="list-style-type: none"> <li>- Receive feedback from the community at all events throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>- Better life quality in which the communities have management, financial literacy and quality products and services that meets the standards</li> </ul>	<ul style="list-style-type: none"> <li>- The Bank has conducted on-site visits to communities to find out the needs as follows:               <ol style="list-style-type: none"> <li>1. Training</li> <li>2. Study visit</li> <li>3. On-site visits with specialist to establish a development plan</li> <li>4. Organize activities for development and practical experience</li> <li>5. Performance assessment</li> </ol> </li> </ul>

### 3.3 Environmental Sustainability Management

#### 3.3.1 Environmental Policies and Practices

The Bank recognizes and acknowledges the necessity and importance of solving environmental problems and responding to the challenges of climate change, with broader impacts on both economic and social sectors, by adopting the framework and concepts of sustainable development at the international level.

##### Climate Change Impact Assessment

The Bank has assessed the impact of climate change or other natural disasters, which can be considered in 2 dimensions, namely the Bank's operational and business risks and the risks that may affect the ability to conduct business and the ability to pay debts of customers, as follows:

The Bank assesses the business impact, both monetary and non-monetary, in the event of a catastrophic event that prevents the Bank's core business operations from operating normally. The Bank has a business continuity management policy that has been approved by the Board of Directors and is reviewed annually to suit the changing environment. The Bank also has a business continuity plan (BCP) and regularly reviews and tests it according to the specified period to ensure that the Bank is ready to deal with various disaster events and is able to operate the business within a reasonable period of time. In this regard, the Bank has regularly followed up on news and information about disasters that occur in order for the Bank to be able to cope and manage the crisis in a timely manner.





In terms of risks that will affect the customers' ability to conduct business and ability to pay their 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 both at the regional level, industry level and individual customer level by notifying the business units that take care of those customers to closely monitor the situation. Surveillance 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.

#### Efficient Use of Resources

The Bank focuses on increasing energy efficiency, use of natural resources and waste disposal according to the 3R principles, namely Reduce, Reuse, and Recycle, and considers ways to reduce the Bank's energy consumption and pollution from transportation and travel. In 2021, the Bank has set goals and formulated the Bank's energy conservation guidelines to reduce energy consumption by focusing on making employees realize the importance of energy conservation and

helping to transform a culture of efficient and sustainable energy use. In addition, 2,001 LED lights were replaced at 23 branches, and 77 air conditioners at 45 bank branches were changed to air conditioners labeled No. 5 with the eco-friendly refrigerant R-32 to save energy. The Bank has also designated environmental risks as part of its risk assessment and initiated an environmental management training course for all employees, as well as promoting waste separation and installing various types of waste bins at the head office buildings and the main buildings. Moreover, the Bank has operated a scheme to turn food waste into soil, which can eliminate 100% of the 1,470 kilograms of food waste in the canteen of the head office building through the Krungthai Loves Environment scheme under the "Krungthai RELIFE Campaign." 441 kilograms of soil from food waste were distributed to employees and communities for planting vegetables and trees. It could reduce greenhouse gas emissions by 3,719.10 kgCO<sub>2</sub>e (carbon emission equivalent).

#### 3.3.2 Environmental Performance

The Bank disclosed its environmental performance in its Sustainability Report 2021.



### 3.4 Social Sustainability Management

#### 3.4.1 Social Policies and Practices

The Bank recognizes the importance of conducting social activities as follows:

- **Fairness**

The Bank has announced a policy on the management of services to customers with fairness and respect for customers' rights (Market Conduct) for executives and related employees to follow since 2018, while improving processes and related work systems in accordance with the Bank of Thailand's

policies and regulations in order to create a moral and ethical corporate culture. The Bank has also placed emphasis on increasing the commitment of its employees to provide fair services in accordance with market conduct, especially by urging branch employees across the country to explain complete and accurate information to customers to make a decision and offer no forced sales. Moreover, the Bank has organized training on market conduct and rehearsal for understanding with employees

in a concrete manner, including intense and continuous testing after practice through various methods. The Bank believes that pursuing a moral organization standard will build public trust.

- **Human Resources**

The Bank is determined to drive its mission and vision towards creating sustainable “Growing Together” with all stakeholders and pushing its strategies towards becoming future banking. In this regard, the Bank has made changes to its human resource management policy by focusing on building knowledge and future skills for employees and transforming the organization into an agile organization, promoting an organizational culture with good governance and enhancing change management to cope with the changes that are occurring rapidly today. In 2021, the Bank implemented the People Transformation scheme, which comprises of 4 key human resource dimensions, namely: Culture Transformation, Leadership Transformation, People Skill Transformation, and Potential Transformation.

- **Human Rights**

The Bank respects the fundamental rights that all human beings deserve equally to be able to live in peace regardless of differences in race, color, gender, age, language, religion, physical status, or health. It has a guideline for treating everyone equally, without discrimination, segregation, detention, or restriction of rights to individuals. The Bank also has measures to protect whistleblowers by adopting the UN Guiding Principles on Business and Human Rights (UNGP) and the Protect, Respect, and Remedy Framework, or the Ruggie Framework, as a guideline for human rights management within the organization and the entire supply chain, including employees, customers, and business partners of the Bank.

- **Comprehensive Finance**

Another important mission of the Bank is to contribute to the development of the country’s economic system by ensuring that people have access to financial services thoroughly and equally. The Bank has developed products and services to enable people in all areas of the country to have access to financial resources and services in terms of business loans, home loans, and personal loans. Besides, the Bank has developed research, financial innovations, and digital services that correspond to the current lifestyle through applications and other technologies to increase service efficiency and convenience for the Bank’s customers and the public, and to be part of the development of Thailand’s digital economy.

- **Community Engagement**

From the vision of Krungthai Bank “Growing Together for Sustainability”, the Bank wishes to grow together with all sectors of society in a sustainable way. The Bank has linked environmental, social, and governance (ESG) issues with the Sustainable Development Goals (SDGs) by linking business

frameworks to help reduce poverty, improve the economy and quality of life, and make the community and society have a better life through various projects as follows:

### **Go-Local, Grow-Local Project**

**Go-Local, Grow-Local Project:** The Bank initiated the Go-Local, Grow-Local Project throughout Thailand in 2019. It emphasizes the importance of developing strong communities by adhering to the principle of self-reliance and reducing external dependence by taking into account the potential, resources, wisdom, way of life, culture, and local environment in line with the National Economic and Social Development Plan in building a strong community, including incorporating the philosophy of sufficiency economy into application in development to balance strength from within. In this project, the people in the community gathered to come up with ideas and determine the guidelines and community development activities.

The Bank brings its strengths both in terms of financial knowledge, and products and financial services to meet the needs of the communities through the operations of branches in each local area and by working with partners with expertise in various fields to improve the quality of life of the community and promote the community’s sustainability by focusing on the development of community products, namely adding value to community products and offering distribution channels, including publicizing products through the Bank’s various media, so that the community can earn income from selling community products. When the COVID-19 pandemic improves, the Bank plans to promote a trip to the communities to stimulate tourism for various communities along with publicizing their products.

In 2021, the Bank has developed 10 communities, namely Ban Suan Durian Community in Songkhla Province, Ban Laem Sub-District Community in Suphanburi Province, Ban Sanuan Nok Community in Buriram Province, Ban Mae Kampong Community in Chiang Mai Province, Ban Khok Krai Community in Phang Nga Province, Ban Dua Community in Nong Khai Province, Tha Ma-O Community in Lampang Province, Takhian Tia Community in Chonburi, Koh Tao Community in Surat Thani Province and Nang Lae community in Chiang Rai. Due to the Bank’s commitment to community development and community engagement, six communities have been awarded the CBT Thailand Standard, and the Kinnaree Award for three communities.

### **Krungthai Loves Environment Project**

Since 2020, the Bank has initiated the project under the “Krungthai RELIFE” campaign. It is important to change the behavior of employees to buy only what is needed in order to reduce the amount of food waste. If there is leftover food waste, there must be a disposal process that is not toxic to the environment. Therefore, an innovative food waste compost

machine is used to process 120 kilograms per day of food waste from Vayupak canteen. It can be converted to soil at a rate of up to 40 kg per day. It takes only 2 hours and 30 minutes per cycle, making it able to eliminate 100% of food waste, which is considered to help reduce waste and environmental pollution. Krungthai Bank has promoted and supported “Social Innovation” that can seriously solve social problems, have a positive impact, and participate in solving social problems. The social innovation of the “food waste compost machine” by Innovast (Thailand) Co., Ltd., awarded by Krungthai Young Enterprise Awards 2017, is used to process leftover food within the Bank to become quality soil with scientific methods. It can be used to plant flowers, ornamental plants, fruit trees, or vegetable gardens. There is the problem of a large amount of garbage on a daily basis as well as the behavior of throwing all types of garbage in the same bin. This makes it difficult to reuse materials that are still useful but mixed with solid waste. Therefore, one solution is to let everyone know how to separate waste so that useful materials can be reused and the amount of waste will be reduced. Moreover, there should be a value and behavior change campaign in garbage disposal to support the separation of food waste from waste. In this regard, the Bank installed a food waste compost machine. In 2021, it could eliminate 100% of the 1,470 kilograms of food waste. 441 kilograms of soil from food waste were distributed to employees and communities for planting vegetables and trees. It could reduce greenhouse gas emissions by 3,719.10 kgCO<sub>2</sub>e (carbon emission equivalent).

### **Koh Tao, Better Together Project**

In cooperation with the United Nations Development Programme (UNDP) Thailand and the Raks Thai Foundation, Krungthai Bank has hosted a crowdfunding campaign, “Koh Tao Better Together”, via e-donation on its digital finance platform to create jobs and provide support for Koh Tao Island locals affected by the COVID-19 pandemic. The fund raised was used to hire tourist boat drivers for beach cleaning and raise awareness of environmental conservation for 4 months from 1 December 2020 to 31 March 2021. Moreover, the Big Cleaning Day activity was organized to prepare for the upcoming recovery of tourism and economy in Koh Tao. The activities are organized to enhance and raise awareness among students of Ban Koh Tao School by providing financial knowledge, introducing financial innovations of the Bank, such as the Krungthai NEXT application, Krungthai Connex, and introduction of income-expense accounting system to the students to apply in daily life. From the implementation of the project, boat drivers collected more than 40 tons of marine waste, and the Bank was awarded the International Best Practice (Emerging Market) in the Great Practice category at the Global Corporate Sustainability Awards:





# Koh Tao Better Together Project





GCSA 2021 from Taiwan. It is an international award from the largest sustainability conference in Asia.

In addition to taking care of all sectors of society in a sustainable way, during the COVID-19 situation, the Bank provides relief assistance by taking part in being a part of the society through projects as follows:

#### **“Thai Ruam Jai, Safe Bangkok” Project**

Krungthai Bank is a part of the “Thai Ruam Jai, Safe Bangkok” project, which is an important cooperation between the government and 3 private institutions, namely

the Chamber of Commerce of Thailand, the Federation of Thai Industries, the Thai Bankers Association, and many private sector partners to facilitate the COVID-19 vaccination in Bangkok via the system. It is an end-to-end system that uses the least paper, is accessible to all sectors, is transparent and verifiable. The system is flexible and can be processed according to the type of vaccine and injection sites according to the amount of vaccine that will be allocated to 25 out-of-hospital injection sites throughout Bangkok.



#### **Krungthai Care Box**

Donated Care Box to infected COVID-19 people in Chachoengsao province

#### **Krungthai Care Box (Home Isolation Kit)**

The Bank donated 20,000 Krungthai Care boxes to infected COVID-19 people who are treated at home, consisting of antipyretic drugs, cough syrup, andrographis paniculata tablets, alcohol gel, masks, and subsistence equipment, etc. They were given to patients in various areas throughout the country, such as Nakhon Si Thammarat Province, Samut Prakan Province, Chachoengsao Province, Pathum Thani Province, and Nonthaburi Province, etc.

#### **Survival bags to help flood victims in the COVID-19 situation**

The Bank provided 2,000 survival bags consisting of consumables necessary for flood victims, such as rice, chili paste, instant noodles, canned fish, garbage bags, mosquito spray, balms or ointments, sanitary napkins, etc. to help flood victims in the COVID-19 situation in various areas, such as Ayutthaya Province, Ubon Ratchathani Province, Udon Thani Province, etc.

#### **Supporting King Mongkut's Hospital to develop innovation to drive KMC Innovative Hospital**

Krungthai Bank is determined to use technology

to develop and improve the quality of life of people, especially in health and medical care. Therefore, it has supported the budget for the King Mongkut's Institute of Technology Ladkrabang (KMIL) to build King Mongkut's Hospital to be a comprehensive research and development center for medical innovations for all Thai people, which is the future industry (New S-CURVE) that drives the national economy, including new proactive medical care. The push for King Mongkut's Hospital to KMC Innovative Hospital is a combination of the strengths of the two agencies, Krungthai Bank and KMIL, to exchange technology and connect healthcare projects that the Bank has continued to do with. The Bank's strength and the outstanding reputation of KMIL as a leading institute for research and innovation can drive innovation in medicine, including exchanging information and analyzing problems to meet the needs of doctors and nurses in treating all patients and service recipients. This is in line with the health and medical care program, which is one of the Bank's five ecosystems to take part in making the lives of people better by taking into account overall social development and creating social sustainability

### 3.4.2 Social Performance

Details of social performance are disclosed in the Sustainability Report 2021

The Bank has integrated its operations in accordance with environmental, social, and governance (ESG) principles in order to conduct business and provide responsible banking services and operations. It has a policy of focusing on granting credit to borrowers who focus on doing business with responsibility for society, the environment, and good governance,

including risk management, to lead to sustainable development.

The Bank has a responsible credit policy to focus on granting credit to businesses that focus on environmental, social responsibility, and good governance, including requiring the Bank's efficient and effective risk management to maintain public confidence in the Bank and be a guideline for all relevant departments within the Bank to implement concrete business practices for controlling or preventing risks from the aforementioned impacts and creating maximum benefits for all stakeholders.



#### Credit granting with environmental and social responsibility and good governance promotion

The Bank has established a Responsible Lending policy (RL) by taking the international framework and concept of sustainable development into consideration together with the Bank's identity and integrating it with environmental, social, and governance (ESG) principles in order to conduct business and provide responsible banking services and operations. The Bank established a credit approval process and has effective risk management guidelines to provide customer screening, a credit review process covering environmental, social, and governance risks, and processes for assessing, controlling, and monitoring risks.

The Bank supported lending to businesses or industries with potential as determined by the Bank and in

accordance with the environmental, social, and governance goals (Inclusion List) and in accordance with the national strategic plan under the concept of Bio-Circular-Green Economy (BCG Model), such as loan products that are concerned with or for environmental protection (Green Lending), credit for energy conservation, credits to entrepreneurs with good governance, loans that help create jobs and improve quality of life and the overall economy of the country, loans for SMEs, loans for research and innovation, and employment loans, etc. The Bank does not support credit for types of businesses or persons in unwanted groups as specified by the Bank (Exclusion List). In each credit process, appropriate risk identification, assessment, control, monitoring, and management are required in order to prevent any damage that may occur to the Bank in the future.

## Part 1 Business Operations and Performance

### 4. Management Discussion and Analysis (MD&A)

Thai economy in 2021 gradually recovered at a slow rate after facing severe impact from the COVID-19 pandemic in the second and third quarters of the year. The government has implemented strict control measures before gradually relaxing the disease control measures later, along with reopening the country to the fully vaccinated travelers after the domestic vaccination Thais has progressed extensively and the number of infected patients in the country has started to decline. However, the support from the strong recovery in the world economy have pushed forward Thai economy, especially the Thai export sector to expand by 17.1 percent. Meanwhile, the additional government stimulus measures i.e., the Khon La Khrueng (Let's Go Halves co-payment) scheme and the Rao Tiew Duay Gun (We Travel Together) scheme, also contributed to the recovery of domestic demand and economic activities. As a result, the overall Thai economy in 2021 is likely to expand slightly higher than the previous year, at 0.9 percent, as assessed by the Bank of Thailand (BOT) in December 2021.

Consistent and targeted fiscal and monetary measures remain essential to support further economic recovery, especially in the context of a gradual and uncoordinated economic recovery in each sector. There is also the spread of COVID-19 - the omicron strain and new mutations, which is still a risk that may affect the economic recovery in the next phase. In addition, the Monetary Policy Committee has maintained the policy interest rate at a low level as of 0.5 percent throughout 2021 and is expected to continue throughout 2022 to support economic recovery, together with the issuance of measures to help those affected from the crisis in a timely manner. It is also expected that the Bank of Thailand will continue to push for measures that emphasize access to liquidity, as well as encouraging commercial banks to undertake sustainable debt restructuring for affected debtors. Krungthai Bank has continually focused on providing assistance measures for the customers. In this regard, the Bank has launched the measures to help debtors who have to temporarily close their business, namely suspending principal and interest payments to SMEs and retail customers, as well as offering a variety of measures to support retail and business customers in all groups.

Moreover, the Bank has become an important mechanism in supporting the government measures to revitalize the economy through several projects as the "Rao Chana" (We Win) scheme, the "Section 33 We Love Each Other" scheme, the "Khon La Khrueng" (Let's Go Halves co-payment) 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. In this regard, the Bank continues to develop technology and financial infrastructure to enhance the lives of all customer groups. Accordingly, on December 1, 2021, Fitch Ratings upgraded the

Bank's credit rating by one notch, explicitly the long-term foreign currency credit rating to BBB+ and the long-term national credit rating to AAA (tha), which is considered as a high level of reliability. The Bank was the only commercial bank to receive a credit rating upgrade in this round. It reflects the Bank's strength and clear role as a key mechanism in supporting the implementation of government policy, which helps people and revitalizes the economy during the challenges of the COVID-19 pandemic.

#### The Bank and Its Subsidiaries' Performance for Year of 2021

The Bank and its subsidiaries' net profit attributable to equity holders of the Bank amounted to Baht 21,588 million, increased by 29.0% YoY, driven by strong loan growth of 12.6% YTD. Coverage ratio increased to 168.8% from 147.3% as at December 31, 2020 given thorough considerations on various factors with high uncertainties. While being able to manage and continuously control asset quality, hence NPLs Ratio-Gross decreased to 3.50% from 3.81% as at December 31, 2020. The expected credit losses have been set aside at the high level of Baht 32,524 million, however, decreased by 27.6% YoY.

The consolidated pre-provision profit before expected credit losses and income tax expenses in 2021 was Baht 63,055 million, a decrease of 8.3% YoY. The compression was attributable to the interest income from loan in relation to partial payment from the auction of mortgaged guarantee assets of Y2020. Excluding interest income received from the auction, pre-provision profit declined by 1.5% YoY in response to the low interest rate environment, hence NIM stood at 2.49%. Other operating expenses have managed to decrease by 1.4%. This resulted in a cost to income ratio of 45.5%, a similar level to cost to income ratio if excluding special transactions in 2020.

The Bank's Tier 1 and Total Capital ratios were 16.86% and 20.12% respectively, maintaining at a strong level as compared to BOT's requirement.

The Bank and its subsidiaries had incorporated Infinitas by Krungthai Co., Ltd. as a R&D hub for newly digitized financial products, becoming a service provider for various innovation & digital platform, while moving toward open banking, virtual digital banking service and new business model opportunities, as well as strengthening mega platform such as Pao Tang application as the country's digital infrastructure. In addition, the Bank and its subsidiaries had entered into a joint venture arrangement with Accenture Solutions Co., Ltd and incorporated Arise by Infinitas Co., Ltd. to provide a world-class human resources service in technology-related field to support the digital business growth in Thailand and other countries.

## The Bank and Its Subsidiaries' Performance for the Year Ended December 31, 2021 Overview Operating Income and Net Profit

Unit : Million Baht			
	2021	2020	Change
			%
Net interest income	83,372	88,343	(5.6)
Net fee and service income	20,022	20,528	(2.5)
Other non-interest income	12,392	13,377	(7.4)
Total operating income	115,786	122,248	(5.3)
Total other operating expenses	52,731	53,465	(1.4)
Pre-provision profit <sup>(1)</sup>	63,055	68,783	(8.3)
Expected credit losses	32,524	44,903	(27.6)
Operating profit before income tax expenses	30,531	23,880	27.9
Income tax expenses	5,975	4,441	34.6
Net profit	24,556	19,439	26.3
Net profit (attributable to equity holders of the Bank)	21,588	16,732	29.0
ROA (%) <sup>(2)</sup>	0.63	0.53	
ROE (%) <sup>(2)</sup>	6.14	4.91	

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

<sup>(2)</sup> 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 2021, KTB's consolidated pre-provision profit was Baht 63,055 million, declined by 8.3% YoY, despite of a 12.6% loan growth YoY. The compression was attributable to interest income from loan in relation to partial payment from the auction of mortgaged guarantee assets of Y2020. If excluding interest income received from the auction, pre-provision profit declined by 1.5% YoY in response to the low interest rate environment. The Bank and its subsidiaries had set aside the allowance for expected credit losses decreased by 27.6% YoY. Hence, consolidated net profit (attributable to equity holders of the Bank) was Baht 21,588 million, an increase by 29.0% YoY.



## Net Interest Income

Unit : Million Baht			
	2021	2020	Change
			%
Interest income	104,832	112,837	(7.1)
- Interbank and money market items	2,954	3,594	(17.8)
- Investments and trading transactions	345	435	(20.7)
- Investment in debt securities	3,437	4,251	(19.1)
- Loans	97,932	104,307	(6.1)
- Hire purchase and financial lease	104	184	(43.5)
- Others	60	66	(9.1)
Less Interest expense	21,460	24,494	(12.4)
- Deposits	10,302	13,765	(25.2)
- Interbank and money market items	1,607	1,860	(13.6)
- Contributions to BOT and DPA	6,145	5,687	8.1
- Debts issued	3,327	3,080	8.0
- Others	79	102	(22.5)
Net interest income	83,372	88,343	(5.6)
Earning Asset Yield (%) <sup>(1)</sup>	3.13	3.72 <sup>(2)</sup>	
Cost of Fund (%) <sup>(1)</sup>	0.73	0.93	
Net interest margin (based on earning assets) (%) <sup>(1)</sup>	2.49	2.91 <sup>(2)</sup>	

(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.

(2) If excluding interest income received from the auction, earning asset yield and NIM for 2020 would be 3.56% and 2.76% respectively.

**Net Interest Income In 2021.** Though the strong loan growth of 12.6% YTD, KTB's consolidated net interest income in 2021 amounted to Baht 83,372 million, a decrease of 5.6% YoY due to interest income from loan in relation to partial payment from the auction of mortgaged guarantee assets of Y2020 together with lowered interest rate trend and the cost of fund management had lessened the impact. Hence, NIM registered at 2.49%, down from 2.91% (NIM at 2.49%, down from 2.76% if excluding interest income received from the auction).

### Change of interest rate

	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020
Policy Interest Rate (%)	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
Deposit Rate (%) <sup>(1)</sup>						
- Savings Rate	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%
- 3 Months Fixed Rate	0.320%	0.320%	0.320%	0.320%	0.375%	0.375%
- 6 Months Fixed Rate	0.400%	0.400%	0.400%	0.400%	0.500%	0.500%
- 12 Months Fixed Rate	0.400%	0.400%	0.400%	0.400%	0.500%	0.500%
Loan Rate (%)						
- MLR	5.250%	5.250%	5.250%	5.250%	5.250%	5.250%
- MOR	5.820%	5.820%	5.820%	5.820%	5.820%	5.820%
- MRR	6.220%	6.220%	6.220%	6.220%	6.220%	6.220%

<sup>(1)</sup> Standard deposit rate for individuals.

In 2020, given the assessment on Thai economy's contraction from impact of global pandemic, the Monetary Policy Committee, the Bank of Thailand had announced series of policy rate cuts, having 3 times cut to 0.50% in May 2020. Furthermore, the Bank of Thailand announced the measure on lower contribution from financial institutions to the FIDF (FIDF fee) from 0.46% to 0.23% as announced on April 7, 2020. The Bank had gradually been cutting lending rates of MLR, MOR and MRR until the latest cut in May 2020 to help business operators and retail customers. BOT has recently extended the lowered FIDF fee until ended 2022.

## Net Fee and Service Income

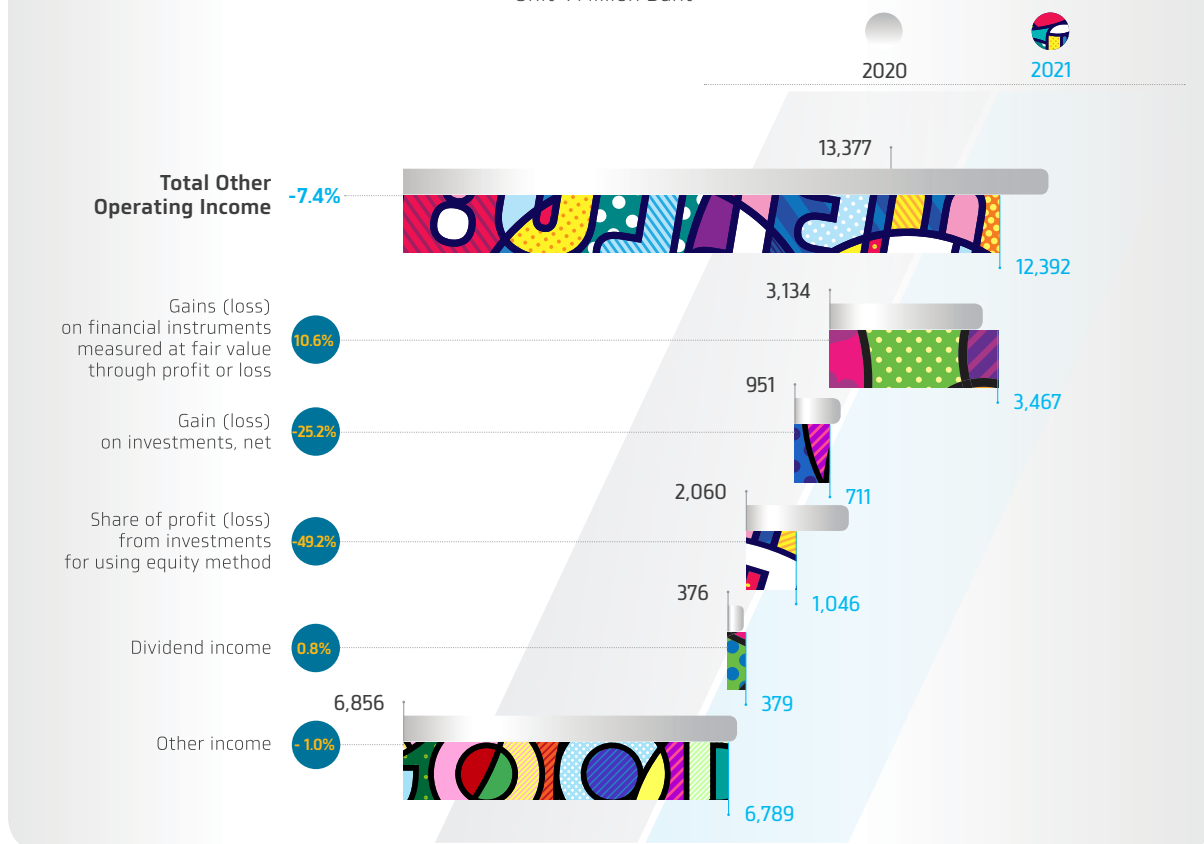
Unit : Million Baht

	2021	2020	Change
			%
Fee and service income	28,310	27,690	2.2
<u>Less</u> Fee and service expense	8,288	7,162	15.7
<b>Net fee and service income</b>	<b>20,022</b>	<b>20,528</b>	<b>(2.5)</b>

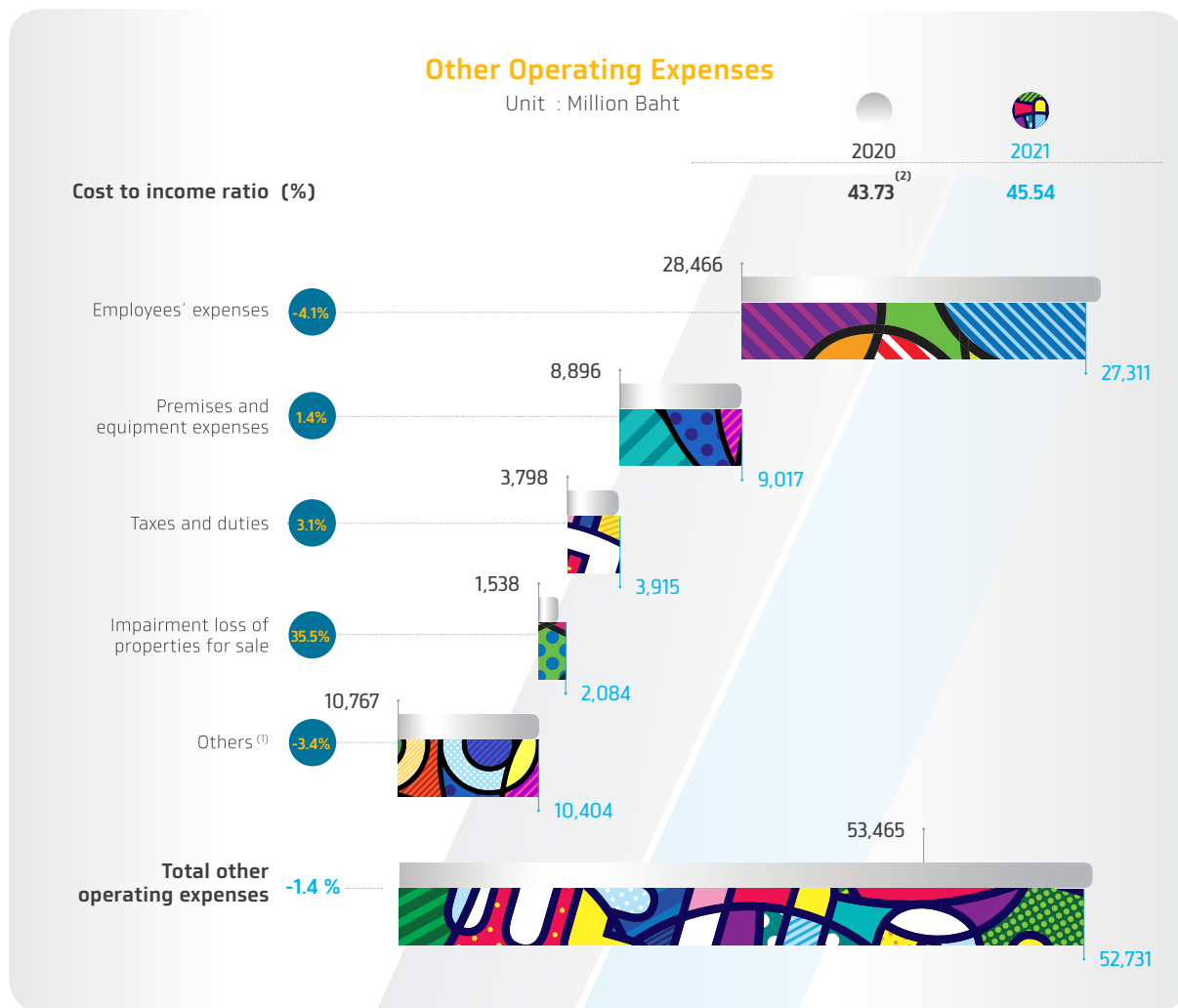
KTB's consolidated net fee and service income in 2021 was Baht 20,022 million, compressed by 2.5% YoY, mainly related to the slowdown of economic situation and customers' shift in service channel toward digital transactions, whilst expansion on acceptance, aval and guarantees fee and management fee.

## Total Other Operating Income

Unit : Million Baht



KTB's consolidated total other operating income in 2021 was Baht 12,392 million, a decrease by 7.4% YoY, mainly due to an decrease in share of profit from investments for using equity method and gain on investments, net.



(1) Including Directors' remuneration

(2) If excluding interest income received from the auction, cost to income ratio for 2020 would be 45.50%.

KTB's consolidated other operating expenses in 2021 was Baht 52,731 million, a decrease by 1.4% YoY mainly due to the operating cost management in the slowdown economy given interest rate pressure. This resulted in a cost to income ratio of 45.54%, increased from 43.73% in 2020 (Cost to Income was at a similar level to 45.50% if excluding special transactions in 2020).



## Expected credit losses / Impairment Loss of Loans

	2021	2020	Unit : Million Baht
			Change
			%
Expected credit losses <sup>(1)</sup>	32,524	44,903	(27.6)

<sup>(1)</sup> 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 2021, the Bank and its subsidiaries' expected credit losses amounted to Baht 32,524 million, decreasing 27.6% YoY given thorough considerations of various factors in the continuously changing business environment and in this economic situation of high uncertainties. The Bank's consolidated coverage ratio increased to 168.8% from 147.3% as at December 31, 2020, though having an improvement in NPL ratio.

## The Bank and Its Subsidiaries' Financial Status as at December 31, 2021

### Financial Assets and Net Investments

As at December 31, 2021, the Bank and its subsidiaries have financial assets measured at fair value through profit or loss and net investment, totaling Baht 360,081 million. It consists of 75% government and state enterprise securities, 20% corporate and foreign debt securities, and 5% marketable equity securities. Financial assets measured at fair value through profit or loss and net investments increased by 8.9% from December 31, 2020.

## Classification and measurement of financial assets and net investments

Consolidated Financial Statements	31 Dec 2021	31 Dec 2020	Unit : Million Baht
			Change
			%
Financial assets measured at fair value through profit or loss	18,039	13,724	31.4
Investments, net	342,042	316,988	7.9
- Investments in debts securities measured at amortized cost	1,599	1,740	(8.1)
- Investments in debts securities measured at fair value through other comprehensive income	322,190	300,505	7.2
- Investments in equity instruments designated to be measured at fair value through other comprehensive income	18,253	14,743	23.8
Total financial assets measured at fair value through profit or loss and net investments	360,081	330,712	8.9

### Loans breakdown by type of business.



#### Loans to Customers

The Bank's consolidated loans to customers (less deferred revenue) was Baht 2,628,963 million, increased by 12.6% compared to the end of 2020, from all customer segments, especially from government customers.

### Loans to Customers

Consolidated Financial Statements	Unit : Million Baht		
	31 Dec 2021	31 Dec 2020	Change
			%
Loans to customers	2,629,259	2,335,241	12.6
<u>Less</u> Deferred revenue	296	399	(25.7)
<u>Add</u> Accrued interest receivables	20,579	16,199	27.0
<u>Less</u> Allowance for expected credit losses	173,322	150,528	15.1
Loans to customers and accrued interest receivables, net	2,476,220	2,200,513	12.5

## Loans breakdown by type of borrowers (Consolidated Financial Statements)

Unit : Million Baht

Consolidated Financial Statement	31 Dec 2021		31 Dec 2020		Change
	Amount	(%)	Amount	(%)	%
Private Corporate	708,654	27.0	655,583	28.1	8.1
Government and State Enterprise	553,041	21.0	367,293	15.7	50.6
SMEs <sup>(1)</sup>	327,724	12.5	320,204	13.7	2.3
Retail	1,039,448	39.5	991,804	42.5	4.8
- Housing	445,012	16.9	430,281	18.4	3.4
- Personal	531,035	20.2	496,443	21.3	7.0
- Credit card	59,953	2.3	59,990	2.6	(0.1)
- Leasing <sup>(2)</sup>	3,448	0.1	5,090	0.2	(32.3)
Others	392	0.0	357	0.0	9.9
<b>Total loans (per Financial Statement)</b>	<b>2,629,259</b>	<b>100.0</b>	<b>2,335,241</b>	<b>100.0</b>	<b>12.6</b>

<sup>(1)</sup> SMEs definition has been adjusted by referring mainly to annual sales. Historical data were revised for a comparable purpose.

<sup>(2)</sup> In May 2021, the Bank sold the 75.05 percent of KTB Leasing's ordinary share to KTC, therefore, KTB Leasing was KTC's subsidiary. The Bank's consolidated financial statement had no impact from such transaction.

### Asset Quality

## Loan classification and expected credit loss

Unit : Million Baht

Consolidated Financial Statement	31 Dec 2021	31 Dec 2020
1. Gross NPLs <sup>(1)</sup>	106,809	107,138
2. Gross NPLs Ratio	3.50%	3.81%
Allowance for Expected Credit Losses (total)	180,311	157,854
3. Coverage Ratio <sup>(3)</sup>	168.8%	147.3%

<sup>(1)</sup> Gross NPLs based on principal less deferred revenue while including interbank and money market items

<sup>(2)</sup> 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

<sup>(3)</sup> Coverage Ratio = Allowance for expected credit losses for interbank and money market items, loans to customers and loan commitments & financial guarantee contracts / Gross NPLs

Unit : Million Baht

Consolidated Financial Statement	31 Dec 2021		31 Dec 2020	
	Loans and Accrued Interest Receivables <sup>(1)</sup>	Allowance for Expected Credit Losses <sup>(2)</sup>	Loans and Accrued Interest Receivables <sup>(1)</sup>	Allowance for Expected Credit Losses <sup>(2)</sup>
Loan Classification				
- Performing	2,306,478	44,722	2,013,375	32,093
- Under-performing	228,443	48,923	223,501	41,627
- Non-performing	111,422	77,334	109,407	74,204
- Lifetime ECL-simplified approach <sup>(3)</sup>	3,199	2,343	4,758	2,604
<b>Total</b>	<b>2,649,542</b>	<b>173,322</b>	<b>2,351,041</b>	<b>150,528</b>

(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

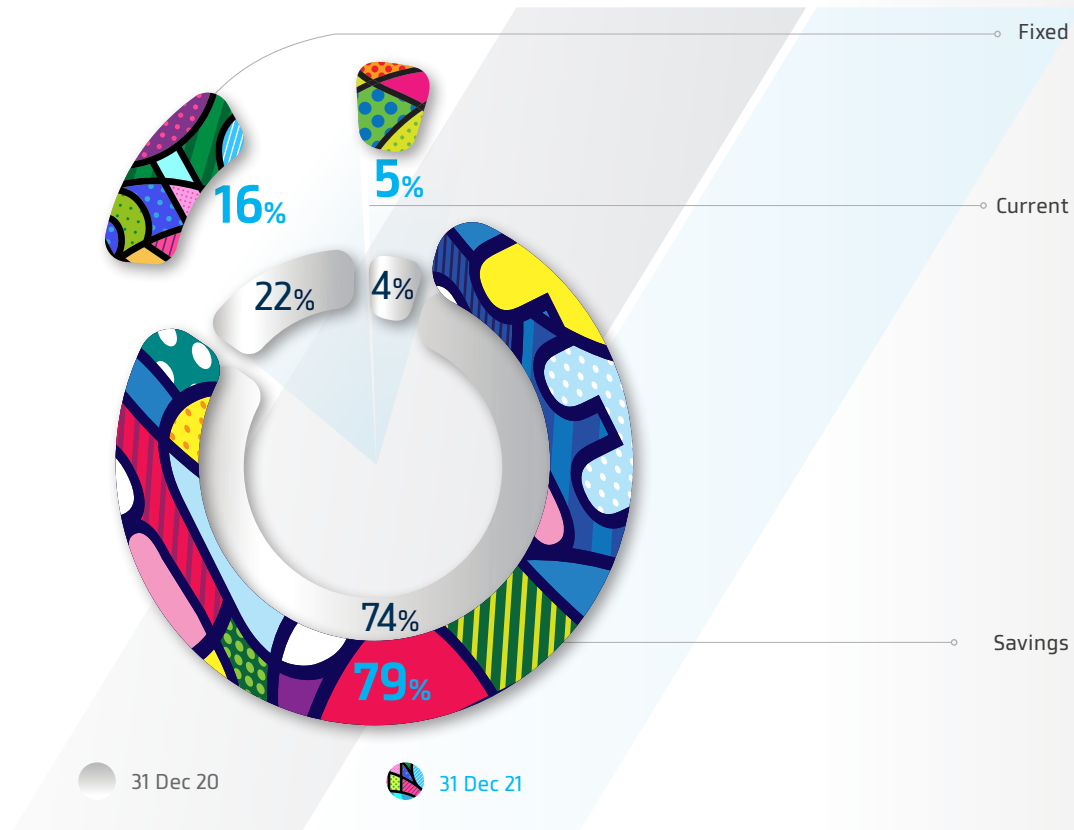
The Bank's consolidated NPLs-Gross as at December 31, 2021 amounted to Baht 106,809 million. NPLs Ratio-Gross reduced to a controllable level of 3.50%, from 3.81% as at December 31, 2020 as a result from a close monitoring and continual asset quality management. The additional expected credit losses have been set aside given thorough considerations on various factors in high uncertainties to strengthen coverage ratio. Hence, the Bank's consolidated coverage ratio increased to 168.8% from 147.3% as at December 31, 2020.



### Deposits

The Bank's consolidated deposits was Baht 2,614,747 million, increased by 6.2% from December 31, 2020 due to an increase of savings and current deposits. Hence, the portion of current deposit and savings deposit to total deposit (CASA) accounted for 84%. The Bank's consolidated loans to customers (less deferred revenue)-to-deposits ratio (L/D ratio) of 100.54% increased from 94.79% as at December 31, 2020.

### Deposits breakdown by types



## Sources and Uses of Funds

Unit : Million Baht

	31 Dec 2021		30 Sep 2021		Change	31 Dec 2020		Change
	Amount	(%)	Amount	(%)	%	Amount	(%)	%
Net Interbank and money market items (asset)	469,216	13.2	484,588	13.9	(3.2)	516,792	15.5	(9.2)
Financial assets measured at fair value through profit or loss	18,039	0.5	38,175	1.1	(52.7)	13,724	0.4	31.4
Net investments and net investments in associates	364,017	10.2	294,426	8.4	23.6	346,388	10.4	5.1
Loans to customers (less deferred revenue)	2,628,963	73.9	2,559,985	73.2	2.7	2,334,842	70.2	12.6
Less Allowance for expected credit losses	173,322	4.8	167,201	4.8	3.7	150,528	4.5	15.1
Other assets	249,831	7.0	287,188	8.2	(13.0)	266,562	8.0	(6.3)
<b>Total Asset</b>	<b>3,556,744</b>	<b>100.0</b>	<b>3,497,161</b>	<b>100.0</b>	<b>1.7</b>	<b>3,327,780</b>	<b>100.0</b>	<b>6.9</b>
Deposits	2,614,747	73.5	2,582,228	73.8	1.3	2,463,225	74.0	6.2
Net Interbank and money market items (liabilities)	296,344	8.3	248,699	7.1	19.2	274,566	8.2	7.9
Debt issued and borrowings	133,817	3.8	133,069	3.8	0.6	86,564	2.6	54.6
Other liabilities	137,725	3.9	165,827	4.8	(16.9)	148,361	4.5	(7.1)
Total equity	374,111	10.5	367,338	10.5	1.8	355,064	10.7	5.4
- Equity holders of the Bank	360,052	10.1	354,048	10.1	1.7	343,466	10.3	4.8
- Non-controlling interest	14,059	0.4	13,290	0.4	5.8	11,598	0.4	21.2
<b>Total liabilities and equity</b>	<b>3,556,744</b>	<b>100.0</b>	<b>3,497,161</b>	<b>100.0</b>	<b>1.7</b>	<b>3,327,780</b>	<b>100.0</b>	<b>6.9</b>
Loans to customers (less deferred revenue) -to-deposits ratio (%)	100.54		99.14			94.79		

As at December 31, 2021, the Bank's consolidated major source of funds was 73.5% deposits; and the other source of funds was equity, interbank borrowings, and debt issued and borrowings. Debt issued and borrowings increased from the end of 2020 due to the issuance of Additional Tier I Subordinated Notes in the amount of USD 600 million to overseas institutional investors. The Bank's consolidated use of funds consists of 73.9% loans to customers (less deferred revenue), 13.2% net interbank and money market items, and 10.2% net investments and net investments in associates.

## Equity

The total equity (equity holders of the Bank) as at December 31, 2021 was Baht 360,052 million, an increase of 4.8% from December 31, 2020.

Book value per share (equity holders of the Bank) was Baht 25.75 per share increased from Baht 24.57 per share as of December 31, 2020.

## Statutory Capital Fund

## Statutory Capital Fund (Financial Business Group)

Unit : Million Baht

Financial Business Group <sup>(1)</sup>	31 Dec 2021 <sup>(3)</sup>		30 Sep 2021 <sup>(3)</sup>		31 Dec 2020		The minimum rate required by BOT (%) <sup>(2)</sup>
	Amount	Capital Adequacy Ratio (%)	Amount	Capital Adequacy Ratio (%)	Amount	Capital Adequacy Ratio (%)	
Common Equity Tier 1	328,180	15.89	325,560	15.48	314,467	15.73	>8.000
Tier 1 Capital	348,252	16.86	345,609	16.43	315,755	15.79	>9.500
Tier 2 Capital	67,296		67,657		66,349		
Total capital fund	415,548	20.12	413,266	19.65	382,104	19.11	>12.000
Risk-weighted assets	2,065,350		2,103,030		1,999,516		

(1) A financial statement under the regulatory scope of the financial business group is made under BOT's regulation, which does not include non-life and life insurance companies, and companies held with less than 50 percent of paid-up share capital by the Bank.

(2) The Bank of Thailand requires all Thai commercial banks to increase the conservation buffer more than 0.625% per year from January 1, 2016 until reaching more than 2.50% by January 1, 2019. Moreover, according to the notification of the Bank of Thailand No. FPG. 16/2560 and FPG. 17/2560, the Bank is one of six commercial banks that have been designated as Domestic Systemically Important Banks (D-SIBs) (TTB is identified as one of D-SIBs as prescribed by the BOT in August 2021) which resulted in a Higher Loss Absorbency requirement to maintain an additional Common Equity Tier 1 (CET1) of 0.5% from January 1, 2019, and 1.0% from January 1, 2020 onwards.

(3) Capital funds and Capital Adequacy Ratio are preliminary information prepared accordance with BOT guidelines.

As at December 31, 2021, the financial business group had Common Equity Tier 1 of Baht 328,180 million (15.89% of risk-weighted assets) and Tier 1 capital of Baht 348,252 million (16.86% of risk-weighted assets). The total capital fund of the Bank was Baht 415,548 million (20.12% of risk-weighted assets).

### Statutory Capital Fund (The Bank's Financial Statements)

Unit : Million Baht

The Bank's Financial Statements	31 Dec 2021 <sup>(2)</sup>		30 Sep 2021 <sup>(2)</sup>		31 Dec 2020		The minimum rate required by BOT (%) <sup>(1)</sup>
	Amount	Capital Adequacy Ratio (%)	Amount	Capital Adequacy Ratio (%)	Amount	Capital Adequacy Ratio (%)	
Common Equity Tier 1	309,038	15.60	303,979	15.17	293,683	15.35	>8.000
Tier 1 capital	327,685	16.54	322,626	16.10	293,683	15.35	>9.500
Tier 2 capital	66,310		66,474		65,332		
Total capital fund	393,995	19.88	389,100	19.42	359,015	18.76	>12.000
Risk-weighted assets	1,981,545		2,003,536		1,913,769		

<sup>(1)</sup> The Bank of Thailand requires all Thai commercial banks to increase the conservation buffer more than 0.625% per year from January 1, 2016 until reaching More than 2.50% by January 1, 2019. Moreover, according to the notification of the Bank of Thailand No. FPG. 16/2560 and FPG. 17/2560, the Bank is one of six commercial banks that have been designated as Domestic Systemically Important Banks (D-SIBs) (TTB is identified as one of D-SIBs as prescribed by the BOT in August 2021) which resulted in a Higher Loss Absorbency requirement to maintain an additional Common Equity Tier 1 (CET1) of 0.5% from January 1, 2019, and 1.0% from January 1, 2020 onwards.

<sup>(2)</sup> Capital fund and capital adequacy ratio are preliminary information prepared in accordance with BOT guidelines.

As at December 31, 2021, the Bank's Common Equity Tier 1 (the Bank's financial statements) was Baht 309,038 million, Tier 1 capital was Baht 327,685 million and the total capital was Baht 393,995 million (15.60%, 16.54% and 19.88% of its RWA).

In March 2021, the Bank issued Additional Tier I Subordinated Notes in the amount of USD 600 million to overseas institutional investors in order to strengthen its Tier I capital and enhance its future investment prospect and growth opportunity.

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.



• **Forward-looking perspective on factors significantly affecting financial position or operating results**

The Thai economy has definitely recovered by 2022, but there are a number of risk factors to keep an eye on. Due to the gradual recovery of domestic demand, the economy is predicted to increase at 3.8 percent, in accordance with the Bank of Thailand's forecast (as at September 2021) of 3.9 percent. The gradual relaxation of pandemic control measures based on the population's greater vaccination rate and the inflow of income from foreign tourists after the country's reopening, including government initiatives to boost domestic spending, have improved expenditure. However, the fast-spreading and mutated omicron coronavirus variant is spreading in many countries. It is a major risk factor for the Thai economy, especially the impact on businesses and workers in the already-vulnerable service sector. As a result of the outbreak abroad, many countries may enhance their level of strict pandemic control until it has an impact on the economic recovery momentum. Eventually, it has continued to affect the main engine of Thailand's economy previously. Commodity costs and freight charges, for example, have put pressure on the export sector, which is already at high levels. Aside from the threat of a new coronavirus subtype pandemic, the global economy is still dealing with geopolitical tensions at various points, as well as increased volatility in the money and capital markets as a result of the main countries' monetary policy directions being adjusted to be more austere in order to slow inflation. This may affect the direction of investments that move in the financial markets of emerging economies, including Thailand. For domestic factors, increasingly high costs may induce operators to raise prices for goods and services, reducing customers' purchasing power and delaying the Thai economy's recovery.

## Appendix

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

#### Relief Measures in 2020

##### Krungthai Bank's Relief Measures

Realizing the importance to uphold the economy, the Bank had issued relief measures to help customers (updated April 27, 2020) as follows:

- Retail loan on both personal loan under supervision (such as Smart Money loan, Multi-purpose loan 5 Plus) and housing loan (such as Home Easy Cash loan) (not exceeding Baht 3 million): 4-month debt payment holiday on principal and interest together with 4-month lower interest rate of 0.25% per annum on existing loan agreement.

In addition, personal and housing loans with document proof of reduced income shall have 6-month debt payment holiday on principal (payment on interest only) together with 6-month lower interest rate of 0.25% per annum on existing loan agreement.

- Business loan (not exceeding Baht 100 million): 6-month debt payment holiday on principal and interest automatically

- Business loan of medium-size or higher with document proof of reduced income: up to 12-month debt payment holiday on principal for term loan together with up to 6-month debt payment extension for P/N and trade finance

- Supporting soft loans for liquidity on business loan (not exceed Baht 500 million): up to 20% credit limit of outstanding loan as at December 31, 2019 for up to 5-year tenure with first 2-year interest rate of 2.0% per annum, together with up to 12-month debt payment holiday on principal and first 6-month of no interest payment; participating in SFIs' supporting soft loans based on the stated criteria.

- Continual lending rate cuts on MLR, MOR and MRR since end of last year till 2Q2020 (latest lending rate cut effective on May 22, 2020) on a cumulative of -0.65% to -1.05%

These measures will ease loan burden and increase liquidity at present while the Bank will closely work with customers to consider the financial structure for their businesses in conjunction with the pre-emptive financial restructuring in order to provide additional assistance.

### BOT's Relief Measures Phase 2.

BOT had announced relief measure phase 2 for retail customers impacted from COVID-19 on the following:

1. [Reduction on interest rate ceilings, service fee, and penalty \(interest\)](#) for credit cards and personal loan under supervision (effective August 1, 2020 onwards) on the following details:

Type	Prevision ceiling (% per annum)	New ceiling (% per annum)
1. Credit card	18	16
2. Personal loan under supervision		
- Revolving credit	28	25
- Installment payment	28	25
- Auto title loan	28	24

2. [Credit limit extension on credit card and personal loan under supervision](#) (effective August 1, 2020 onwards)

For customers who are in need of additional credit limit and continuously pay on time with average income less than Baht 30,000 per month, temporarily extending credit limit from 1.5 times to 2 times of average monthly income till December 31, 2021.

3. [Additional relief measures phase 2 for retail customers](#) (effective July 1, 2020 onwards)

The scope and period of such relief measures for retail customers impacted from COVID-19 and not considered as NPLs as at March 1, 2020 are detailed below given options of minimum assistance by type of credit available to the impacted customers.

Type	Minimum Relief Measures
1. Credit card	Convert into loan of 48 installment or extend payment period according to debtor's payment ability with interest rate 12% per annum
2. Personal loan under supervision: revolving loan such as cash loan card	1. Reduce minimum installment payment according to payment ability or 2. Convert into loan of 48 installment or extend payment period according to debtor's payment ability with interest rate 22% per annum
3. Personal loan: installment payments and hire purchase (automotive)	Reduce installment: at least 30% of previous installment with interest rate 22%
4. Hire purchase	1. Debt payment holiday (principal and interest): 3-month or 2. Reduce installment by extending payment period
5. Home loan or Home for Cash	1. Debt payment holiday (principal and interest): 3-month or 2. Debt payment holiday (principal): 3-month and reconsider interest rate as appropriate or 3. Reduce installment by extending payment period

Customers who would like to request for assistance could contact the Bank through various channels such as application, website, call center or SMS channel.

### BOT's Guideline on Assistance for SME Post Relief Program under the Royal Decree

Given the Emergency Decree on Financial Assistance to SME affected by Coronavirus Pandemic B.E. 2563 (2020) with measure on loan payment holiday ending October 22, 2020, BOT had additionally announced on October 16, 2020 the guideline on continual assistance for debtors, taking into consideration on previous assistance by financial institution to SME during this uncertain situation of the pandemic. Guideline included:

1. To consider debt restructuring for SME based on their repayment capability. In the case financial institutions undergo debtor's evaluation process on debt restructuring, it is allowed for financial institutions to maintain debtor's asset classification till December 31, 2020 as prior to the pre-relief measure.
2. In the case that a financial institution was unable to clearly evaluate the debtor's cash flow, it is allowed for financial institutions to provide assistance in the form of payment holiday on principal and/ or interest based on each debtor's repayment capability for up to 6 months from end-2020.

The period of standstill on debtor's asset classification and of payment holiday shall not be considered as part of the contract's default terms and conditions.

Additionally, BOT had extended the soft loan application period of financial institutions to BOT for another 6 months in conjunction with extending the qualification of eligible soft loan borrowers to include companies in MAI.

### BOT's Additional Measures

As the ongoing COVID-19 pandemic situation was still far from recovery with high uncertainty, BOT had requested commercial banks to refrain from paying interim dividends for the 2020 operating performance and no share repurchase, effective on June 18, 2020. In addition, commercial banks shall have a capital management plan for the next 1-3 years in order to maintain a strong capital level and to continuously support business operations.

Additionally, BOT had launched the DR BIZ program as the mechanism for multi-creditors businesses to manage debt restructuring according to the debtor's capability under a one-stop service. Furthermore, debt consolidation practice helped debtors with repayment potentials by consolidating loans on housing and other retail loans, such as credit card, personal loan under supervision and hire purchase, utilizing the remaining value of collateral under housing loans.

On October 29, 2020, BOT had announced guidelines regarding the interest calculation on amount overdue, the sequence of debt repayment in reducing NPL as well as debt burden, and the support on debt restructuring negotiation per 3 important topics as follows:

Guideline	Financial service provider	Effective Date
1. Interest calculation on amount overdue based on only the overdue principal excluding the principal of future installments not yet due	<ul style="list-style-type: none"> <li>Financial institution and the Financial Business Group</li> <li>SFI</li> <li>Non-bank entity operating personal loan business under supervision</li> </ul>	April 1, 2021
2. Interest rate on amount overdue based on contractual interest plus no more than 3% per annum	<ul style="list-style-type: none"> <li>Non-bank entity operating retail loan business under supervision</li> <li>Asset management company</li> </ul>	July 1, 2021
3. The sequence of debt repayment by first repaying the fee, interest and principal of longest overdue	All financial service provider	July 1, 2021

Additionally, the waive or leniency of overdue interest could be considered for the overdue prior to April 1, 2021.

On December 22, 2020, the BOT had updated the guideline on SME affected by COVID-19 (soft loan) for flexibility. This included the adjusted definition of "Business Group" to separately consider the relationship of individuals from corporate entities, in which only one-level of corporate entity relationship shall be considered. The additional adjustment also included the increased frequency for SME soft loan application to no more 2 times instead of only once.

On January 12, 2021, the BOT had assessed the domestic pandemic of the new waves of COVID-19 to be widespread in many regions, affecting debtors directly and indirectly. Therefore,

the BOT had requested financial institutions, SFIs and non-financial institutions operators (non-bank companies) to quickly and continually provide financial assistance to debtors who effected from such situation per additional relief guidelines as follows:

1. To extend the filing period for retail debts' relief request till June 30, 2021 from the previous time frame of July 1 2020 till December 31, 2020. In the case of lenders providing credit to employees or operational workers, debtors could file for relief request directly as well as employers or business owners could also file for such request on their behalf; for instance, employee welfare loan or other retail loans given the consent of debtors who are employees or operational workers, in order to facilitate the efficiency and timeliness on the relief request.

The extended relief measures for retail customers impacted from COVID-19 pandemic are as follows.

Type	Minimum Relief Measures
1. Credit card	Convert into loan of 48 installments or extend payment period according to debtor's payment ability with interest rate 12% per annum
2. Personal loan under supervision: revolving loan such as cash loan card	1. Reduce minimum installment payment according to payment ability or 2. Convert into loan of 48 installments or extend payment period according to debtor's payment ability with interest rate 22% per annum
3. Personal loan: installment payments and hire purchase (automotive)	Reduce installment: at least 30% of previous installment with interest rate of 22% per annum
4. Hire purchase	1. Debt payment holiday (principal and interest): 3-month or 2. Reduce installment by extending payment period
5. Home loan or Home for Cash	1. Debt payment holiday (principal and interest): 3-month or 2. Debt payment holiday (principal): 3-month and reconsider interest rate as appropriate or 3. Reduce installment by extending payment period



2. For SMEs, financial institutions and SFIs shall provide financial assistance to qualified SMEs through payment deferment according to the Royal Decree Re: Financial Assistance to SME affected by Coronavirus Pandemic. This included payment deferment on principal and/ or interest depending on debtor capability on a case-by-case basis given appropriate timeline but not exceeding end of June 2021.

3. Financial assistance guideline for all types of debtors (i.e., retails, SMEs and corporate clients with potentials) shall be considered appropriately on loan types, debtors' risk level, nature of business and impact regions for:

- 3.1 Debt restructuring. For example, lower installment, payment extension, credit limits extension or maintenance, loan conversion from short-term to long-term, temporary payment holiday on principal and/ or interest, lower interest rate than market rate, appropriate reduction on principal prior to interest upon repayment, and etc.
- 3.2 Additional working capital and liquidity enhancement
- 3.3 Consideration on payment deferment for SMEs with loans not exceeding Baht 100 million under the Emergency Royal Decree on Soft Loan
- 3.4 Leniency on other terms and conditions as appropriate

### **Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy**

On February 28, 2020, the BOT had revised the regulations for commercial banks to support customers under pre-emptive measures. For Non-NPL customer as at January 1, 2020, bank could classify such loan as Stage 1 with no identification as troubled debt restructuring: TDR given that if it is foreseen that debt restructuring agreement could be complied by customer; moreover, bank could classify loan in performing stage if NPL customer could make payment for 3 consecutive months or installments under the new debt restructuring agreement. This is applicable for debt restructuring during January 1, 2020 till December 31, 2021.

Another measure involved provisioning, in which expected credit losses shall be calculated only for the drawn portion.

### **Additional Relief Measures in 2021**

On March 23, 2021, The Bank of Thailand, the Ministry of Finance, and related parties recognized a number of challenges from the COVID-19 pandemic faced by the Thai economy since early 2020. Moreover, the business recovery is likely to be uneven, especially for SMEs with limited access to capital, as well as businesses that are hard-hit by the pandemic. Under such circumstances, the existing short-term relief measure is insufficient to handle the prolonged nature of the situation. BOT and the Ministry of Finance, then, proposed two new measures include **1) Soft loan facility for businesses** (totaling Baht 250 billion) to support viable small and medium enterprises (SMEs) affected by the COVID-19 crisis and **2) Debt restructuring through Asset Warehousing with Buy-Back options** (totaling Baht 100 billion) providing standardized debt restructuring program for adversely affected borrowers whose businesses require prolonged recovery period, while possessing viable business models and collaterals. The details are as follows:

Measures	Soft Loan Facility for Businesses	Debt Restructuring through Asset Warehousing with Buy-Back options
Total Credit Line	THB 250 billion	THB 100 billion
Period	2-year loan withdrawal period from the BOT, maximum 5-year term loan	
Objectives	Provide liquidity for business operations as well as for business recovery	Financial relief for affected businesses with prolonged recovery period
Target Groups	<ol style="list-style-type: none"> <li>Existing borrowers with existing credit line not exceeding THB 500 million as at 28 February 2021 and whose loan statuses are not NPL as at 31 December 2019</li> <li>New borrowers with no existing credit line with financial institutions (FIs) as at 28 February 2021</li> </ol>	Borrowers with collaterals prior to 28 February 2021 whose loan statuses are not NPL as at 31 December 2019
Conditions	<p><b>Loan offer</b></p> <ol style="list-style-type: none"> <li>Credit limits per borrower               <ol style="list-style-type: none"> <li>Existing borrower: not exceeding 30% of credit line as at 31 December 2019 or 28 February 2021, whichever is greater, but not exceeding THB 150 million</li> <li>New borrower: not exceeding THB 20 million</li> </ol> </li> <li>Interest rate: FIs will provide loans with interest rate not exceeding an average of 5% per annum for 5 years, and at 2% in the first 2 years. The government will subsidize interest for the first 6 months.</li> </ol> <p><b>Loan guarantee</b></p> <ol style="list-style-type: none"> <li>Guarantee period: 10 years</li> <li>Compensation rate: not exceeding 40% of loan portfolio</li> <li>Fee: average at 1.75% per annum, which the government will compensate in total of 3.5% through government guarantee mechanisms by the Thai Credit Guarantee Corporation (TCG)</li> </ol>	<p>Both FIs and borrowers mutually agree to transfer collaterals for debt repayment purposes. Additional conditions include:</p> <ul style="list-style-type: none"> <li>A borrower has the first rights to repurchase collaterals back within 5 years.               <p>The repurchase price should not be higher than the transfer price plus carrying cost (1% per annum of the transfer price) as well as incurred asset maintenance costs and other relevant fees.</p> </li> <li>A borrower has the first rights to rent the collateral asset. Rents received by FI will be deducted from the repurchase price. No additional maintenance costs shall be incurred if the borrower rents the asset.</li> </ul>
Government support	<p>BOT: liquidity support at 0.01% interest rate for FIs in providing loans.</p> <p><b>Government:</b></p> <ol style="list-style-type: none"> <li>MOF: support loan guarantee mechanisms</li> <li>MOF, the Ministry of Interior, and the Ministry of Commerce: will reduce fees related to asset transfers to 0.01% and exempt mortgage registration and business collateral registration fees.</li> </ol>	<p>BOT: liquidity support at 0.01% to FIs for the value of asset transfers.</p> <p><b>Government:</b></p> <p>MOF, the Ministry of Interior, and the Ministry of Commerce: reduce or exempt taxes and relevant fees for both the transfers and the repurchase of the assets for original owners.</p>

BOT's liquidity support for soft loan facility and debt restructuring through asset warehousing with buy-back options will be granted upon request by financial institutions, effective from April 26, 2021 onwards.

On July 16, 2021, according to BOT relief measure for SMEs and retail customers whose has directly impact from the temporarily closed business as advised by the government, the Bank has announced a 2-month debt payment holiday on principal and interest for business and employee in restricted area and non-restricted area whose have impact from the temporarily closed business as advised by the government, start from the July payment period. Customers are able to contact the Bank for assistance from July 19, 2021 until August 15, 2021. Criteria for consideration are as prescribed by the Bank.

Additionally, the Bank provided 7 relief measures for customers as follows

- **Relief measures for retail customers 3 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 loans (Term Loan):** reduce 30% of installment amount up to 6 months
3. **Personal Revolving Loan (Krungthai Thanawat loans and Krungthai Thanawat 5 Plus loan):** convert into term loan of 48 installments or extend payment period according to debtor's payment ability.

- **Relief measures for non-retail customers 4 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. **Relief measure for SME customers**
  - Business loans (term loan; credit limit not exceeding Baht 20 million): up to 6-month debt payment holiday on principal (pay interest) or reduce installment by extending payment period up to 24-month for P/N and up to 6 months for trade finance.
  - Business loans (term loan; credit limit of Baht 20 - 500 million): up to 12-month debt payment holiday on principal (pay interest) for P/N and up to 6-months for trade finance.
3. **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).

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

On August 20, 2021, The Bank of Thailand announced the additional COVID-19 relief measure for sustainable assistant as follows

1. The liquidity assistant and soft loan to SMEs and retail customers

- 1.1 The adjusted soft loan criteria to SMEs (depending on each financial institution's definition) through the credit limit extension to existing customers who have low credit limit or new customer are as follows

- Existing borrower: credit limit per borrower not exceeding 30% of credit line as at December 31, 2019 or February 28, 2021, whichever is greater (not exceeding THB 150 million) or not exceeding THB 50 million for borrower with 30% of credit limit less than THB 50 million.
- New borrower: credit limit per borrower not exceeding THB 50 million. Furthermore, additional loan guarantee conditions will be provided for the vulnerable borrower.

- 1.2 The relaxation of relief measures for retail customers including credit card, personal loan under supervision and digital personal loan are as follows:

- Credit card and personal loan: maintain the minimum payment at 5% and credit limit extension for less than THB 30,000 average monthly income customers.
- Digital personal loan: extension of credit limit and payment period.

2. The supportive criteria to financial institution for long-term debt restructuring measure have been adjusted as follows:

- 2.1 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.

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

2.3 Extended the lowered contribution from financial institutions (FIDF fee) to 0.23% (from 0.46%) until the end of 2022 (from previously ended 2021) for financial institutions to provide continual less burden assistance to private sector and individuals.

## Credit Ratings

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

	December 2021	December 2020
<ul style="list-style-type: none"> <li><b>S&amp;P Global Ratings</b> <ul style="list-style-type: none"> <li>Long-term/ Short-term</li> <li>Outlook</li> <li>Stand-Alone Credit Profile (SACP)</li> </ul> </li> </ul>	BBB / A-2 Negative <sup>(3)</sup> bb+	BBB / A-2 Watch Negative <sup>(1)</sup> bb+
<ul style="list-style-type: none"> <li><b>Moody's Investors Service</b> <ul style="list-style-type: none"> <li>Long-term/ Short-term</li> <li>Outlook</li> <li>Baseline Credit Assessment (BCA)</li> <li>Additional Tier I Subordinated Notes (USD) <sup>(2)</sup></li> </ul> </li> </ul>	Baa1 / P-2 Stable baa3 Ba3	Baa1 / P-2 Stable baa3 -
<ul style="list-style-type: none"> <li><b>Fitch Ratings <sup>(4)</sup></b> <p>Foreign Currency Credit Ratings</p> <ul style="list-style-type: none"> <li>Long-term/ Short-term</li> <li>Outlook</li> <li>Viability Rating</li> </ul> <p>National Credit Ratings</p> <ul style="list-style-type: none"> <li>Long-term/ Short-term</li> <li>Outlook</li> <li>Senior unsecured debentures (Baht)</li> <li>Subordinated Debt (Baht)</li> </ul> </li> </ul>	BBB+ / F1 Stable bbb-  AAA (tha) / F1+ Stable AAA (tha) AA (tha)	BBB / F2 Stable bbb-  AA+ (tha) / F1+ Stable AA+ (tha) AA- (tha)

(1) On August 24, 2020, S&P Global Ratings had placed ratings on the Bank and Senior Unsecured as CreditWatch with negative implications.

(2) On March 25, 2021, the Bank issued Additional Tier I Subordinated Notes to overseas institutional investors

(3) On October 20, 2021, S&P Global Ratings removed CreditWatch with negative implications from all ratings to negative outlook

(4) On December 1, 2021, Fitch Ratings had upgraded the following credit ratings by one notch; Foreign currency credit ratings — long-term/short-term (from BBB/F2) and National credit ratings — long-term (from AA+ (tha)), senior unsecured debentures (Baht) (from AA+(tha)) and subordinated debt (Baht) (from AA-(tha)).

On December 1, 2021, Fitch Ratings upgraded the Bank's Foreign Currency Long-Term and Short-Term Issuer Default Rating, the National Long-Term Rating and senior unsecured debt ratings and subordinated debt ratings by one notch. The rating actions reflect the bank's prominent policy role over the course of the coronavirus pandemic-related economic challenges in Thailand.



## 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 March 24, 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 : [krungthai.com](http://krungthai.com)
- Krungthai Contact Center : +662 111-1111
- Fax : +662 255-9391-3
- Number and Type of the Total Shares Issued  
As at December 31, 2021 The Bank's registered and paid-up capital amounted to 72,005,040,437.50 Baht which is classified into:
 

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

## Other References

- [Securities Registrar](#)

[Thailand Securities Depository Co., Ltd.](#)

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

- [Debenture Holder Agent and Debenture Registrar](#)

- > Subordinated Instruments intended to qualify as Tier 2 Capital of Krungthai Bank PCL. No. 1/2017 (Redemption in 2027).  
The Subordinated Instruments are redeemable at the instance of the issuer before the maturity date and can be written down (fully or partially) after the official decided to offer financial aid.

[Debenture Registrar](#)

[Krungthai Bank Pcl.](#)

[Registrar Team, Capital Market Service Department](#)

977/2 SM Tower, 3rd Fl.,

Phahonyothin Rd, Samsen Nai,

Phaya Thai, Bangkok 10400

Tel. : +662 298-0830-3 ext. 109,130,124

Fax. : +662 298-0835

[Bondholder's Representative](#)

-None-

- > USD Debentures of KrungThai Bank PCL. No. 1/2018 (Redemption in 2023).

[Debenture Registrar](#)

[Bank of Ayudhya Pcl.](#)

[Security Services Operations Department](#)

1222 AA Fl., Rama III Rd., Bang Phongphang,

Yan Nawa, Bangkok 10120

Tel. : +662 296-5715

Fax. : +662 683-1302

[Bondholder's Representative](#)

[Bank of Ayudhya Pcl.](#)

[Security Services Operations Department](#)

1222 AA Fl., Rama III Rd., Bang Phongphang,

Yan Nawa, Bangkok 10120

Tel. : +662 296-3582

Fax. : +662 683-1298

- > Subordinated Instruments intended to qualify as Tier 2 Capital of Krungthai Bank PCL. No. 1/2019 (Redemption in 2029).  
The Subordinated Instruments are redeemable at the instance of the issuer before the maturity date and can be written down (fully or partially) after the official decided to offer financial aid.

[Debenture Registrar](#)

[Krungthai Bank PCL.](#)

[Registrar Team,](#)

[Capital Market Service Department](#)

977/2 SM Tower, 3rd Fl.,

Phahonyothin Rd, Samsen Nai,

Phaya Thai, Bangkok 10400

Tel. : +662 298-0830-3 ext. 109,130,124

Fax. : +662 298-0835

- > USD 600,000,000 Additional Tier 1 Subordinated Notes issued under the USD 2,500,000,000 Euro Medium Term Note Programme

**REGISTRAR AND TRANSFER AGENT**  
[The Bank of New York Mellon SA/NV,](#)  
[Luxembourg Branch](#)  
 Vertigo Building-Polaris  
 2-4, rue Eugène Ruppert  
 L-2453 Luxembourg

**TRUSTEE**  
[The Bank of New York Mellon, London Branch](#)  
 One Canada Square  
 London E14 5AL  
 United Kingdom

- > Structured debentures under the Structured Debentures Project of Krungthai Bank PCL. Batch 1/2020 and 1/2021.

**Debenture Registrar**  
[Krungthai Bank PCL.](#)  
[Registrar Team, Capital Market Service Department](#)  
 977/2 SM Tower, 3rd Fl.,  
 Phahonyothin Rd, Samsen Nai,  
 Phaya Thai, Bangkok 10400  
 Tel. : +662 298-0830-3 ext. 109,130,124  
 Fax. : +662 298-0835

- Auditor

**EY Office Co., Ltd.**  
 193/136-137 Lake Ratchada Bldg., 33rd Fl.  
 Ratchadaphisek Rd., Khlong Toei, Bangkok 10110  
 Tel. : +662 264-9090  
 Fax. : +662 264-0789-90

- Legal Advisors

**Legal Affairs Department,**  
**Compliance & Procedures Sector,**  
**Compliance & Legal Management Group**  
**Krungthai Bank Pcl.**  
 10 Sukhumvit Bldg., 17th Fl., Sukhumvit Rd.,  
 Klong Toey, Bangkok 10110  
 Tel. : +662 345 1992

**KTBLaw 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 (If any)

5.2.1 Specify other information that may have a significant impact on investors' decision-making in case when the company sees that there is other necessary information that is useful or may have a significant impact on investors' decision-making; or for equal access to information of all groups of investors. The Bank still has the duty and responsibility to disclose the information correctly and not lacking the information that should be notified to investors in order to make investment decisions.

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) to shareholders in proportion to their shareholding without issuing and offering to shareholders that will result in the company having duties under foreign law:

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

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

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

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.



## Part 2 Corporate Governance

### 6. Corporate Governance Policy

The Board of Directors delegates policy to Krungthai Bank to conduct its business in accordance with the law and good corporate governance principles, as well as taking into account the transparency, integrity, fairness and responsibility to all groups of stakeholders. The Bank adheres to the code of conduct and ethics according to good corporate governance principles with an aim to be an effective, excellence organization with foundation for sustainable and stable business operation. The Board of Directors has approved the written corporate governance policy, including the review and improvement of the policy to be appropriate and up-to-date. The Corporate Governance Policy of Krungthai Bank was established and first announced in 2002. There has been continuous improvement to elevate the corporate governance standard of the Bank by adhering to corporate governance guidelines which are internationally accepted both in the country and overseas, for instance, the Principles of Good Corporate Governance of the Organization for Economic and Co-operation Development (OECD), the Principles of Good Corporate Governance for Listed Companies, Corporate Governance Code (CG Code) of the Securities and Exchange Commission and Thai Institute of Directors, etc. On the Apply or Explain principle, the Bank adopts such principles as appropriate to the management, laws and regulations relevant to the Bank's business operations, covering policies and practices pertaining to the Board of Directors, shareholders and other stakeholders. In this regard, the Board of Directors, executives and employees at all levels of the Bank throughout the organization acknowledged and adhered to the corporate governance policy as the principle of operation, leading to an organization with good corporate governance culture, creating confidence for shareholders and all stakeholders for the benefit of value creation and sustainable growth of the Bank. The Bank has published its Corporate Governance Policy in both Thai and English, which interested parties can download from the Bank's website.

#### 6.1 Overview of Corporate Governance Policies and Practices

Krungthai Bank is aware and determined to operate its business with transparency, integrity and fairness in compliance with good corporate governance principles in order to become an efficient organization that excels in operating its business on the basis of ethical responsibility and takes into account the benefits of all stakeholders. Such operations shall establish confidence and generate benefits to the shareholders. The Bank's operations cover ESG principles, which consist of Environmental, Social, and Governance, along with instilling Zero Tolerance corporate culture, Market Conduct, molded in the every process of working in a concrete way. Striving to develop business, the Bank also focuses on benefiting society, reducing inequality, and enabling all sectors of society to grow together with the Bank sustainably and strongly.

The Board of Directors placed importance on operating with good corporate governance; encouraging the members of the Board of Directors, executives and employees of all levels to adhere to good corporate governance principles. This shall lead to a culture of good corporate governance within the organization and elevate the Bank's corporate governance to meet international standards. The Board of Directors is responsible for performing duties for the best interests of the Bank and its shareholders. The Bank has a clear segregation of duties and responsibilities between the Management and the Directors. The Board of Directors is in charge of determining the policies and supervising work systems of the Bank to operate in accordance with policies, laws, and ethics.

Moreover, the Board of Directors has entrusted the Corporate Governance and Social Responsibility Committee to formulate the action plans and measures to ensure the execution of the corporate governance policy. The Committee assesses the implementation of the policy and updates policy to be appropriate regularly. In addition, the Committee followed up and improved the practice guidelines to be in line with the good corporate governance guidelines domestically and internationally in order to achieve the international standards.

The Bank has stipulated the Corporate Governance policy and guideline in conformity with the principles of corporate governance prescribed by the Stock Exchange of Thailand as follows:

**Creation of Long Term Value**

**Accountability**

**Responsibility**

**Promotion of Best Practices**

**Equitable Treatment**

**Transparency**

**Social and Environmental Awareness**

The Bank has communicated and publicized the 7 principles of good corporate governance to employees of all levels and integrated into a mission that all departments must operate in accordance with the Bank's corporate governance principles. This will ensure that the Bank has complied with good corporate governance practices. All Directors of the Bank are aware of their duties and responsibilities to operate for the utmost benefit of the Company. Activities relating to social responsibility are undertaken continually, generating substantial results and truly benefiting the society and environment. The Bank has developed more effective social and environmental projects by integrating and arranging such activities continuously under the concept of Growing Together for Sustainability. The projects also emphasize participation of society, community and other stakeholders in encouraging society to care for each other and be generous toward the unfortunates, as well as putting emphasis on environmental issues that are becoming more critical.

## Corporate Governance Strategy

The Bank stipulates the Corporate Governance Strategy for 2017 - 2021 of Krungthai Bank PCL in line with Thailand's Master Plan on national anti-corruption phase 3 (2017 - 2021). Hence, the time frame has been extended to be valid until September 30, 2022 according to the resolution of the NACC meeting for the benefit of driving the work plan and in accordance with the extended timeframe of the National Strategy. According to the Bank's strategy plan focusing on becoming a prototypical bank in term of morality and ethics and creating zero-tolerance culture, the Bank's corporate governance strategy is expanded to practice under the Sustainable Krungthai Initiatives, comprising of 5 main strategies as follows:

### 1st Strategy:

Creating zero-tolerance organization

### 2nd Strategy:

Elevate the moral intention to combat corruption

### 3rd Strategy:

Develop proactive corruption prevention systems

### 4th Strategy:

Elevate the standard of corruption suppression process

### 5th Strategy:

Get 'Excellence' score on Integrity and Transparency Assessment: ITA from the external institution

In this regard, the Bank has consistently raised awareness for all employees to comply with good corporate governance through projects and activities under Sustainable Krungthai Initiatives and other communication channels such as Sustainable

Krungthai, Moral Stories, Let's Do Good Deeds, Knowing in Advance. The projects and activities present up-to-date information on good corporate governance, which is easy to understand, via various channels. The Bank's good corporate governance structure is represented in its appointment of committees in accordance with the objectives. Operations of corporate governance are monitored and supervised more closely with regular reports to the Board of Directors. Opinions from the Board of Directors are considered for improvement of the operation continuously.

### 6.1.1 Policies and Practices Relating to Board of Directors

The Board of Directors is the leader of an organization with full authority to supervise the administration of commercial banking and related businesses. The Board ensures that the Directors and executives perform their duties with responsibilities, carefulness, integrity for good organizational management. The Bank's operation is consistent with the laws, its objectives and regulations, and the resolution of the Board of Directors and the shareholder general meeting under conditions and regulations of related laws and good corporate governance. The Board of Directors approved the Charter of Board of Directors that defined the authority and responsibility of the Board of Directors as well as the role and duty of Chairman of the Board of Directors with the purpose to set as the reference for the operating performance of all Directors. The Charter has become effective since November 21, 2018 onwards and has been reviewed to ensure appropriateness and currentness. The recent charter has been reviewed and approved by the Board of





Directors' Resolution No. 15/2021 (1391) dated May 12, 2021. In addition, other policies and guidelines for the Board of Directors have also been established, covering the following subjects.

- **The number of the Directors** in the structure of the Board of Directors is suitable for organization size. They can perform their duties effectively. The structure of the Board of Directors has an appropriate balance of power with the number of independent directors in accordance with the minimum required by the regulatory agency.

- **Nomination of Directors:** The person taking the Director position shall pass the nomination process of the Nomination and Remuneration Committee as stipulated by law and good corporate governance principles. The Committee considers candidates from sources, including the Director Pool in order to nominate the person with expertise matches to a specific skill matrix that is in line with the Bank's present and future missions and strategies, including sustainable growth. Therefore, the Board of Directors consists of a group of persons with various qualifications in terms of skills, experience and expertises that are beneficial to the Bank. The Board comprises at least 1 person having knowledge or working experience related to the commercial banking business, at least 1 person in accounting and finance, and at least 1 person in information technology. Personal differences in religion, culture, race, gender, etc. are not a limitation for holding the office of director.

- **Independence of the Board of Directors from the Management:** Responsibilities and duties are clearly divided between the Board of Directors and the management. The Board of Directors is in charge of specifying policy for management and the working system as well as overseeing that all activities performed by the Bank are legal and ethically sound. In addition, to ensure that no person has unlimited authority, the Chairman of the Board of Directors cannot be the same person as the President. The roles and duties of the Chairman and the President are clearly defined separately.

- **Remuneration:** The Nomination and Remuneration Committee has a duty to consider director's remuneration by suitability to retain quality directors with the Bank. The Bank's policy stated that remuneration criteria for each director shall be commensurate with directors' scope of duties and responsibilities, the Bank's financial status, and is comparable to other listed companies in the Stock Exchange of Thailand and commercial banks at the same level of business group. Moreover, the Bank also has a policy to propose directors' remuneration in every form in the shareholder general meeting for approval annually without any other privilege beyond the approval of the general meeting.

- **Performance Assessment of a Director:** conduct performance evaluation; self-evaluation, cross-evaluation, and group evaluation twice a year. The results to are used in analysis to develop work operation and to consider the appropriateness of the Board of Directors' composition.

- **Development of a Director:** The Board of Directors has a policy to bring the results of assessment, opinions and suggestions of the Board of Directors to establish a plan to increase



the efficiency of corporate governance. Other information included is the Bank's strategy, skill matrix of the Directors, both educational qualifications and work experience. A guideline for enhancing Skill Matrix, knowledge and development of directors to build an effective Board of Directors 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 objective of the Board of Directors' self-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. 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 future competitors.

- **The Board of Directors ensures and supervises the preparation of the 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 President 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.

- **The supervision of subsidiaries and associated companies:** The Board of Directors has established clear policies regarding supervision on the management of subsidiaries and associated companies, and insist on strict implementation of the policy. This is for the benefit of overseeing operations and coordinating benefits with the Bank and other companies, including following up by reporting the operating results to the Board of Directors, sub-committees, or assigned persons on a regular basis.

- **The Charter of the Board of Directors and the Charter of Subcommittees:** The Board of Directors has approved the Charter of the Board of Directors and the Charter of the Subcommittees. The Charter defines the structure and composition, roles and responsibilities, directorship term, as well as meetings of each committee and sub-committee. The charters are used for reference in the performance of duties. Moreover, the Charter of the Board of Directors and the Charter of Subcommittees are reviewed to ensure appropriateness and currentness.

### 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, to have an efficient, transparent, verifiable management system, which helps build trust and confidence among shareholders, investors, as well as all stakeholders and related parties. In an attempt to lead the Bank towards stability, added value and sustainable growth, the explicit policies and guidelines on shareholders and stakeholders have been established, which covers various subjects including in the following matters:

- **The equitable treatment of shareholders and the promotion of the exercise of shareholders' rights**

The Bank has Rights of Shareholders Protection Policy to encourage and facilitate all groups of shareholders, including minority shareholders, institutional investors and foreign investors. The policy allows shareholders to exercise their rights to attend the shareholders' meeting by not violating or depriving their rights whether it is a basic legal right or the right to make decisions on important matters of the Bank through consideration of the agenda of the shareholders' meeting. Moreover, the Bank follows good practices in protecting rights of shareholders more than basic legal rights in other areas as well as refraining from actions that may limit shareholders' opportunity to study the information of the Bank. Shareholders have the right to receive financial and non-financial information and news of the Bank such as Annual Report, which contains important information and details of the Bank's past general meeting. Such information is published via the Bank's website that is convenient and easy to access. The Bank provides opportunities and clear channels for shareholders to propose meeting agendas or submit questions about the Bank in advance of the shareholders' meeting date. In addition the Bank also explains the reasons in case the proposed agenda is not included in meeting agendas (if any) or the Bank does not answer the questions submitted (if any).

The Bank has a policy to treat each shareholder equally and fairly. The Bank does not discriminate against the shareholders but protects their interests. As for the General Meeting, the Bank facilitates shareholders by selecting the location that is easy for travel and can completely support all attending shareholders. The Bank's staff also provides warm welcoming to and facilitates shareholders during the meeting. In addition, the Bank prepares security and emergency plans for shareholders as well as using technology in the meeting management.

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

The Bank has a policy that no directors, executives, employees and relevant persons are allowed to use its insider information for personal benefits or disseminate to outsiders. It also determines protection and retention of insider information in written form. All employees in the organization shall follow such guidelines.

- **Conflict of Interest Prevention**

According to the Bank's policy, directors and



executives shall report on their stakes and their related person's stakes in relation to management of the Bank or the subsidiary. Any director with vested interests in any agenda shall not vote on that matter or the President may invite him/her to leave the meeting temporarily.

- **Responsibility to Stakeholders and Anti-corruption**

The Board of Directors has a policy for the Bank to treat its stakeholders with respect to their rights under relevant laws and not violate the rights of stakeholders. Measures and actions are taken against those who do not comply with the said policy and guideline. In case of violation of rights, there is compensation with a clearly defined, transparent, fair sequence of steps, both in terms of discipline and legal action. In addition, the Bank provides a process to promote cooperation between the Bank and its stakeholders in maintaining fair benefits as well as creating wealth and sustainability for the business which covers the following issues.

- **Respect for Human Rights:** The Bank has a policy to conduct business in compliance with domestic law, international laws and the Universal Declaration of Human Rights (UDHR). The Bank encourages the basic principles of human rights in every business line and in all areas where the Bank operates. The Bank also respects the protection of human rights and is not involved in human rights violations. Besides, the Bank also stipulated the Human Rights in the operation practices of the employment and appointment, as well as taking care of employees in accordance with international labor principles.

- **Respect for Intellectual Property:** The Bank has a policy to conduct the business without violating all intellectual property rights such as trademarks, patents, trade secrets and other copyrighted works. In 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 are patents, trademarks, copyrights, trade secrets and other information of the Bank.

- **Environment:** The Bank has adopted the international standard of ISO 26000 as an environmental practice guideline, especially on the practices for the environmentally-conscious business. For example, the Bank provided Green Loan, organized campaigning for each unit to dispose of documents securely via the Shred2Share project so as to reduce tree destruction. To reduce the paper usage, the Bank encouraged the Green Meeting campaign and implemented the project "Internal Digitization-Paperless Branch" aimed at reducing paper used in branches. Lastly, the Bank also organized the "Krungthai Loves Environment" project throughout the country, etc.

- **Anti-Corruption:** The Bank has a policy to drive the Bank to become a Moral Organization, through the Sustainable Krungthai Initiative (Krungthai Khunnatham), along with implementing a Zero Tolerance policy in practice throughout the organization. The business is conducted under the law, ethics, and related standards against all forms of corruption, while having a full range of actions that comprise no demand, no request, no acceptance,



no payment, and does not conduct business with individuals and entities involved in corruption. Above all, the Bank adheres to the principles of good corporate governance that are internationally accepted. In this regard, the Bank established "Anti Bribery and Corruption Policy" and announced the policy to the public, along with the preparation of the anti-bribery and anti-corruption handbook and a manual on prevention of conflicts of interest. This is for the Bank's employees and executives to use as the basis for their operations. The Bank encouraged the participation of the Anti-Corruption Network and encourages other companies and business partners to have anti-corruption policies and participate the Anti-Corruption Network as well as being certified of membership of the Thailand's Private Sector Collective Action Coalition Against Corruption from the Private Sector Collective Action Coalition Against Corruption (CAC) project. The Bank participated in the declaration of intention of the CAC project and has undergone the self-assessment in establishing policies and guidelines for preventing corruption in compliance with the regulations specified by the CAC Committee. The Bank was certified by the CAC Committee and became a member of the CAC in September, 2011 and was certified for the second time in November, 2019. Besides, the Bank formulate the policy of Anti-Money Laundering and Combating the Financing of Terrorism: AMLCFT as in compliance with international standards, such as the Vienna Convention (1988) and Financial Action Task Force (FATF), etc.

The Bank promulgates the Whistle Blowing policy by providing a channel for whistleblowing, which allows everyone to report the wrongdoing. If any person observes any act of offense by the Bank's or affiliates' Directors, employees or staff, whether it is fraud, illegal actions, non-compliance with Bank's regulation or rules of various regulators, he/she is able to provide clues through the established channels. The names of the whistleblowers will be kept confidential and protected, both during the investigation and after the procedure.

## 6.2 Code of Conduct

The Board of Directors has a policy for the Bank to conduct business in accordance with good corporate governance. It has announced the CG Policy, Code of Ethics and Code of Conduct, which have been continually updated to ensure completeness, accuracy and currentness according to international standards. They are used as a guideline for the Board of Directors, executives and employees and for the appropriateness corresponding with the Bank's changing vision, mission, strategy and business context. The Bank aims to become an effective organization that excels in operating business, concerns ethical responsibility and takes into account the benefits of all stakeholders. Conducting business with good corporate governance shall establish confidence and generate benefits to the shareholders, who are vital to the Bank's sustainable growth and prosperity. All employees are encouraged to adhere to and perform with responsibility, honesty, transparency and fairness to be in the brand DNA and to create a corporate culture. Supervisors at all levels are designated to monitor and ensure compliance with the Code of Conduct which shall be regarded as part of employee discipline.

The Bank regularly promotes awareness of and adherence to corporate governance principles and the Code of Conduct for employees throughout the organization. Information is presented through communication channels such as CG training courses for senior executives, new employees orientation, self-learning materials through E-Learning, Intranet, Lesson Learn and Sustainable Krungthai Initiatives. Exhibition boards and activities booths are organized and PR media are created in order to disseminate information/educate employees in the organization and the Bank's network partners through Krungthai Intranet Website /HR news/ Sustainable Krungthai Initiative/ Digital Signage system / One Krungthai Application. Furthermore, surveys of perceptions, understanding and implementation of corporate governance, anti-corruption, and the Code of Conduct are conducted for employees annually. Survey results are used as data for improvement in next year's operations.

## 6.3 Significant Changes and Developments in Policies, Practices and Corporate Governance in 2021

### 6.3.1 Changes in Corporate Governance Principles in 2021

The Bank is committed to operating in accordance with good corporate governance with a process of reviewing, improving, developing policies, practices and operating procedures. It adheres to accuracy and transparency in line with good corporate governance, laws and international standards while also highlights the suitability of its business operations. In 2021, the Bank has reviewed its policies as follows:

- Corporate Governance Policy of Krungthai Bank PCL. : Content has been updated to be in line with current operations. Content categories have also been updated in accordance with international standards such as CG Code for Listed Companies 2017. The policy requires executives and employees at all levels across the Bank to abide by, study, understand and sign for acknowledgment.

- Code of Conduct: Updated contents to be in line with the Bank's current operating guidelines with reference to the Ethical Standards Act B.E. 2563 (2019) and Ethical Standards Committee Regulations on criteria for Code of Ethics establishment, ethics, and the process of upholding ethics of government agencies and officials, B.E. 2563 (2020). Subject on refraining from giving - receiving gifts has been added. The Code of Conduct requires executives and employees at all levels to abide by, study, understand and sign for acknowledgment.

- Corporate Governance Strategy : The performance indicators of the Corporate Governance Strategy are reviewed. The Bank's operational framework is expanded according to the expansion of National Strategy on Anti-Corruption Phase 3.

- Prepare a manual on integrity and transparency of Krungthai Bank PCL. in consistent with the Integrity and Transparency Assessment (ITA) of government agencies as a guideline for the engaging employees to participate in driving systematically throughout the organization in order to achieve Krungthai Sustainability.

- Develop a guideline for preventing and solving harassment or sexual harassment problem in the workplace, which is in line with the Cabinet Resolution on April 21, 2020. It approves measures to prevent and solve harassment or sexual harassment problems in workplaces. Employees were clearly informed and aware of the importance of preventing and solving harassment or sexual harassment problems in workplace.

The Board of Directors' meeting in the 27/2017 (974) on December 27, 2017, the Board of Directors considered the CG Code with responsibility and prudence, giving an opinion that CG Code are beneficial for the Board of Directors as a leader and the highest responsible person of the organization, to adapt to the Bank's business context in order to create value for the organization sustainably. The Board of Director also reviewed the Bank's operation complying to CG Code in each practice so as to ensure the appropriateness of outcome. Furthermore, in order to develop operations in any aspect to be in compliance with CG Code appropriately and continually, the Board of Directors agreed to consider and review the implementation of CG Code to be related to the Bank's business context at least once a year. The consideration from the Board was required to be recorded as a part of the Board of Directors' resolution. The application of the CG Code is reviewed annually. In 2021, at the Board of Directors Meeting No. 20/2021 (1071) dated on November 10, 2021, the CG Code was reviewed and applied in accordance with the Bank's business context, which has been considered by the Corporate Governance and Social Responsibility Committee with prudence and responsibility. The meeting agreed to maintain an appropriate policy for implementing the CG Code and the Bank's existing practice that complies with the current business context. There are 3 guidelines as follows:

CG Code Compliance Guideline	Bank practices in consistent with the Bank's business context
<ul style="list-style-type: none"> <li>The Chairman of the Board of Directors should be an independent director.</li> <li>In case that the Chairman is not an independent director, the Board of Directors should consider as follows:               <ol style="list-style-type: none"> <li>having the board comprise a majority of independent directors, <u>or</u></li> <li>appointing a designated independent director to participate in setting the board meeting agenda.</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>The Charter of the Board of Directors specifies the compositions of the Board that the Chairman of the Board of Directors should be an independent director. In case that the Chairman is not an independent director, the Board of Directors should ensure the balance of power and authority between the Board and management by:               <ol style="list-style-type: none"> <li>having the board comprise a majority of independent directors, <u>or</u></li> <li>appointing a designated independent director to participate in setting the board meeting agenda.</li> </ol> <p>As of December 31, 2021, the structure of the Board of Directors consists of 6 independent directors out of 12 directors or equal to 50 percent of the total number of the Board of Directors members.</p> <p>However, the Charter of Independent Director Committee stated that one of the responsibilities of the Independent Director is to propose the meeting agenda to the Chairman of the Board of Directors in case that there are important issues or issues that the Board of Directors should consider and they have not been included in the meeting agenda.</p> <ul style="list-style-type: none"> <li>Although the Chairman of the Board of Directors is not the Independent Director, it does not affect his/her independent judgment because the Chairman is an outsider with knowledge, expertise and skills, as well as having been nominated by the Nomination and Remuneration Committee, who have specified a skill matrix in alignment with the Bank's strategies. Moreover, the Bank manages the balance of power using the following principles:               <ul style="list-style-type: none"> <li>The Bank has an adequate internal control system and transparent operation mechanism in balancing power and authority.</li> <li>The Chairman is not an authorized director, not an executive director and does not hold the positions of a chairman or member in any of the Bank's sub-committees.</li> <li>The considerations of significant matters will be in the form of a panel, not subject to the decision of any Director.</li> </ul> </li> <li>The Chairman of the Board of Directors must not be the same person as the President of the Bank from whose roles and responsibilities are different. The Bank's Board of Directors Charter has stipulated that the roles and responsibilities of the Chairman is to oversee and ensure the effective operation of both the Committees and the management to accomplish the Bank's objectives and main goals. The roles and responsibilities of the President are to be the highest executive of the management and manage the Bank to be in line with the direction and policies determined by the Board of Directors.</li> </ul> </li> </ul>

CG Code Compliance Guideline	Bank practices in consistent with the Bank's business context
	<ul style="list-style-type: none"> <li>The structure of the Board of Directors and the management has sufficient checks and balances. The Board of Directors has elevated the performance of the Independent Director by operating as a committee panel, similar to other sub-committees of the Bank. The Board also stipulates the Charter of Independent Director Committee which determines the qualifications, term of office and responsibilities. In this regard, the Independent Directors Committee has appointed 1 Independent Director to be appointed as the Chairman of the Independent Director Committee. As of December 31, 2021, General Thianchai Rabporn took the position as the Chairman of the Independent Directors Committee.</li> </ul>
<ul style="list-style-type: none"> <li>The Board of Directors may acquire the help of external consultants in establishing principles and giving suggestions on issues relating to the performance evaluation of the Board of Directors at least every three years and disclose details about such proceedings in the annual report.</li> </ul>	<ul style="list-style-type: none"> <li>The Charter of Independent Director Committee states that one of the responsibilities of the Independent Directors is to conduct performance evaluation; self-evaluation, cross-evaluation, and group evaluation twice a year and take into account the results to develop work operation and to consider the appropriateness of the Board of Directors' composition. However, the Board of Directors could invite any person, as it deems appropriate, to be a consultant to assist the Board determine directions and recommend issues in performance evaluation of the Board with appropriate criteria and appropriate time period. Such proceedings must be disclosed in the annual report.  Presently, the Bank does not have external consultants to help determine guidelines and suggest issues for evaluating the Board's performance since the Bank currently has an appropriate system for evaluating the performance of the Board of Directors. Details are as follows:               <ul style="list-style-type: none"> <li>Establishing criteria for evaluation in comparison with the principles/recommendations of regulators, namely the Stock Exchange of Thailand, Office of the Securities and Exchange Commission, Bank of Thailand as well as in line with those prescribed by the organizations that oversee good corporate governance, such as the Thai Institute of Directors (IOD).</li> <li>There is a periodic review of the performance evaluation as appropriate through the approval of the Nomination and Remuneration Committee.</li> <li>The details of the operation related to the performance evaluation of the Board of Directors are disclosed in the annual report every year.</li> </ul> </li> </ul>



### 6.3.2 Banking operations in accordance with the CG Code principles on the Apply or Explain approach

The Board of Directors has reviewed the Bank's actions in accordance with the CG Code, on the Apply or Explain approach. In particular, it related to the adaptation of the principles as appropriate to the management, laws and regulations, as well as relevant to the Bank's business operations. This approach also covered the policies and practices related to the Board of Directors, shareholders and stakeholders. The purpose is to create appropriate practices that benefit the Bank's sustainable value creation. However, the committee agreed to maintain the policy of implementing the CG Code as deemed appropriate and adhered to the Bank's practice guidelines that are consistent with the Bank's current business context as mentioned above.

### 6.3.3 Other practices in accordance with good corporate governance principles

For the Bank's Corporate Governance, 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 regulations of Corporate Governance Report of Thai Listed Companies 2019 organized by the Thai Institute of Directors (IOD). For 2021, the Bank received the overall assessment of the said project in the "excellent" level with the implementation of Corporate Governance in 2021, summarized as follows:

## 1. Rights of Shareholders and Equitable Treatment of Shareholders

### Policy on the protection of the rights of shareholders and the equitable treatment of shareholders

The Bank has Rights of Shareholders Protection Policy and treats all groups of shareholders equally and fairly with non-discriminatory. The Bank also encourages and facilitates all groups of shareholders, including minority shareholders, institutional investors and foreign investors, so that they can exercise their rights to attend the shareholders' meeting. The Bank takes care of balancing the interests of shareholders and all stakeholders with transparency and fairness, as well as doing nothing which is a violation or depriving the rights of shareholders whether it is a basic legal right or others. Moreover, the Bank follows good practices in protecting rights of shareholders more than basic legal rights in other areas as well as refraining from actions that may limit shareholders' opportunity to study the information of the Bank, both the financial and non-financial information. The Shareholders can acquire news and important information released by the Bank through the bank's website, which can be easily and conveniently accessed. The Bank has facilitated Shareholders by choosing a meeting venue that is easy to travel and sufficient for the number of Shareholders attending the meeting, assigning a receptionist to provide adequate assistance throughout the meeting, providing security and emergency plans for meeting participants, including applying technology in the management of meetings.

## 1.1 Practices regarding to Rights of Shareholders Protection

### 1.1.1 Shareholders Meeting

The Board of Directors arranges shareholders meeting, which is an annual general meeting within 4 months from the end of fiscal year of the Bank. Other shareholders meetings are called extraordinary meetings. Extraordinary meeting shall be arranged at any time, as it deems appropriate or within 1 month from the day that the request was received from the shareholders in accordance with the regulations prescribed by law. Each shareholders meeting shall be arranged with date, time and location regarding to the convenience of shareholders who will attend the meeting. The Board of Directors encourages the shareholders who are unable to attend the meeting to assign proxy and employ proxy forms that allow the shareholders to decide voting direction as well as nominating at least one independent director as an alternative in proxies of shareholders. The meetings are organized in accordance with laws and good corporate governance principles. Meanwhile, in the preparation of meeting minutes, all important information must be accurately and completely recorded. In addition, the names of the Directors who attended the meeting and did not attend the meeting as well as the percentage of both cases were disclosed.

In 2021, the Board of Directors arranged 1 shareholders meeting which was an annual general meeting and there was no extraordinary meeting. The Board of Directors set the date for the 28th Annual General Meeting of Shareholders (2021) on April 9, 2021 at 02:00 p.m. at Athenee Crystal Hall, 3rd floor, The Athenee Hotel, a Luxury Collection Hotel, Bangkok, 61 Wireless Road (Witthayu Rd), Lumpini, Pathumwan, Bangkok. The Bank attached the map and travel information with the invitation letter of the meeting and distributed it to all shareholders who have a right to attend the meeting. The Bank has informed shareholders and investors through electronic media on the website of the Stock Exchange of Thailand accordingly.

Due to the COVID-19 epidemic, the Bank is aware of the safety and health of shareholders. Therefore, to be responsible for the public, the measures and practices were set in the 28th Annual General Meeting of Shareholders (2021), which were sent together with the invitation letter. The Bank requested cooperation for shareholders and proxies to act and acknowledge matters, for instance, undergoing through the screening and temperature check before entering the meeting place, conducting a self-screening form for meeting attendees based on measures to prevent the spread of COVID-19, checking in-out via the Thai Chana platform, etc. Due to the pandemic situation, the Bank informed in the invitation letter that The Securities and Exchange Commission, Thailand (SEC) and related agencies, encouraged shareholders to consider appointing independent directors instead of attending the meeting in person.

### 1.1.2 Meeting Invitations and Meeting Documents

At the meeting of the Board of Directors No. 5/2021 (1056) on March 4, 2021, there was a resolution of the 28th Annual General Meeting date (2021). On the same day,

the Bank announced the aforementioned meeting resolution of the Board of Directors in Thai and in English with details related to the meeting date, agenda of the shareholders' meeting, opinions of the Board of Directors on each period and the record date. Shareholders and investors are required to acknowledge such details via electronic news systems on the Stock Exchange of Thailand's website and the Bank's website on March 5, 2021, which was more than 30 days in advance before the date of the shareholders meeting.

The Bank provides meeting invitation letters and meeting documents including Thai and English versions of the Annual Report. In the invitation letter, the Bank specified the meeting's date, time, location and the agenda items for either informing or approval. All agendas are clearly classified by specific issues. Agendas for approval are separate, for example, in the agenda related to the Board of Directors, nomination and remuneration are separate. The objectives, rationale, the directors' opinion as well as adequate supportive information are stated in each agenda for consideration with the following examples.

- Election of Directors: The Bank presents the information about name-surname, age, educational background and work experience, the number of companies of directorship, separated as listed companies and non-listed companies and other organizations, criteria and remuneration process, and proposed position. In case of nominating the existing director to hold the position again, the information about past meeting attendance, the date, month, year of position taking, including the number of years as a director of the Bank will be provided.

- Directors' remuneration: The Bank presents the policy and criteria for setting the remuneration of directors in each position. All remuneration will be proposed to the shareholders' meeting for approval annually, namely monthly remuneration and meeting allowance of the Board of Directors and meeting allowances for sub-committees.

- Auditors Appointment and Audit Fees Setting: The Bank presents information about the candidate such as the auditor's company name, names and details of the proposed auditor, information that shows independence of the auditor, and the proposed audit fees, etc.

- Approval of Dividend Payment: The Bank reveals its dividend policy, the proposed dividend rate with rationale and additional data, etc.

In this regard, the Bank has informed in the invitation letter of the meeting that the shareholders can send questions to be answered at the shareholders' meeting in advance to the Bank via email address: [share.holder@krungthai.com](mailto:share.holder@krungthai.com), or or contact the Office of the Board of Directors, Krungthai Bank PCL., 3th Fl. Nana Nua Building, Tel: +662 208-4132, +662 208-4136, +662 208-4144, +662 208-4146.

The Bank facilitates shareholders who cannot attend the meeting in person to assign proxies to attend the meeting and cast a vote on his/her behalf. The documents delivered to shareholders along with invitation letter are 3 types of proxy form as required by Ministry of Commerce: type A- this

form is general and uncomplicated; type B - the detailed form contained specifying detail of what proxy was needed to do and the Bank recommended this type; type C - this form would be used in case that the shareholder was foreigner investor and has appointed custodian in Thailand to take care of the shares. Additionally, the Bank also attached the information regarding the nominated 2 independent directors as alternatives for assigning proxy to vote in the meeting, as well as the list of the evidence or documents that proxy requires to bring with him/her to claim the right to attend the meeting along with the suggestion for proxy assignation process as well as having no policy to set any criteria which is difficult for shareholders to assign proxy.

The Bank offers the opportunity for shareholders to propose the proper agenda for the meeting of shareholders. The Bank proceeds in compliance with regulations specified by the Bank through the website of the Bank 3 months prior to the end of fiscal year, December 31 of every year. The 28th general annual shareholders meeting (2021) period was specified from October 1 to December 31, 2020. For the 29th Annual General Meeting of Shareholders (2022), the period was specified from October 1 to December 31, 2021. The Bank informed the shareholders of the rights through an electronic news system on the website of the Stock Exchange of Thailand and the Bank's website on September 25, 2020 and September 20, 2021 respectively. On the day of the shareholders' meeting, the assistant secretary informed the meeting before entering the agenda that no shareholder proposed any matter to be included in the meeting agenda, and the Bank recorded such message in the minutes of the shareholders' meeting.

### 1.1.3 Conducting the Shareholders Meeting

The Bank has a policy specified that Chairman of the Board of Directors, the President and all the relevant chairmen of the respective subcommittees must attend the shareholder meeting except for having important and necessary missions causing them to not attend the meeting. The purposes of the meeting are; to present the details about the operating performance and management policies and to answer any queries raised by shareholders. The Bank provides an independent examiner of counting votes in the meeting. For the 28th Annual General Meeting (2021), 9 Directors or 75 percent of the Board of Directors attended the meeting. There were 3 Directors who did not attend the meeting, namely Prof. Dr. Kittipong Kittayarak, who was on a mission, Mr. Vichai Assarasakorn and Mr. Payong Srivanich, the President, who were involved in the epidemic area of the COVID-19, therefore is in the process of quarantine to observe symptoms, making it impossible to attend the meeting. In the meantime, Group Head of Financial Management as a Chief Financial Officer (CFO) also attended the meeting. The Bank assigned KTB Law Co., Ltd. to act as an inspector for monitoring the meeting to be transparent, accurate in compliance with laws and regulations of the Bank as well as the Good Corporate Governance and invited 1 minority shareholder to be a representative of the meeting to witness the vote counting as

well. Moreover, the auditor of the Bank for the year 2020, which is the EY Company Limited, had attended the meeting to clarify and answer questions about the financial statements to the meeting. Inclusively, the representative of the Rights Protection Volunteer Member Thai Investors Association also attended the meeting. The Chairman of the meeting informed the name of the directors, subcommittee chairman, executives together with the aforementioned meeting attendees to the shareholders for acknowledgement before the meeting started.

The Bank arranges the use of voting cards for every meeting agenda by using the computer and QR Code system for registration and vote counting as well as presenting the results in every meeting agenda in order to facilitate the meeting smoothly, quickly and effectively. The Chairman requested the assistant secretary to inform the meeting about the regulations related to the Annual Ordinary General Meeting and shareholders' rights for convenience and decorum in the meeting as well as the process to make inquiry or comments, procedures of voting and vote counting. In addition, the Bank protects the rights of shareholders by not unnecessarily adding agenda items that have not been notified in advance, especially important agenda items that shareholders need time to study before making a decision, unless it has been performed properly in accordance with the procedures required by law. In the past, including the 28th Annual General Meeting of Shareholders (Year 2021), the shareholders' meeting considered matters in the order as specified in the invitation letter that the Bank had delivered to the shareholders in advance without changing the order of the meeting agenda. No other agenda was added that had not been specified in the invitation to the meeting.

In the agenda of the director nomination, 4 directors were considered for a replacement of those whose terms of office had completed. The Board of Directors had proposed a list of directors who had been considered by the Nomination and Remuneration Committee according to the director nomination policy and process. Shareholders consider and vote for the directors one by one. All directors whose names are nominated to serve for another term left the meeting room temporarily until the shareholders' meeting had already considered and voted. Then, they returned to the meeting room. The chairman informed the names-surnames of each director and the results of voting.

Additionally, in every agenda, the Chairman of the meeting gave opportunity and time for all shareholders to have equal rights to examine the Bank's operations, make inquiries, express their opinions as well as suggestions independently in matters related to the agenda or about the Bank. Within the sufficient time and in accordance with the appropriate method for the situation of the COVID-19 outbreak, the time required for the meeting was concise and efficient as notified to the meeting prior to the commencement of the meeting agenda. The Bank answered questions to the shareholders after considering the specified agenda and on the related questions to the agenda initially. For other questions, the Bank will publish the responses

on the Bank's website. Moreover, the Bank has documented those issues that are important, including the Bank's explanation in the minutes of the shareholders' meeting

#### 1.1.4 Disclosure of Resolution and Report of Shareholders Meeting

After the 28th Annual Ordinary General Meeting (2021) ended, the Bank published the resolution of the meeting and the result of vote in favor and vote against or vote abstentions of each agenda, both in Thai and English to shareholders and investors through electronic news system on the website of the Stock Exchange of Thailand and on the website of the Bank, before 9.00 a.m. of the next business day.

In preparing the 28th Annual General Meeting of Shareholders (2021), the Bank has recorded the details in explicit matters as follows:

- Names and positions of all Directors attending the meeting and absent, which included the President together with the relevant reason for not being able to attend the meeting, list of the secretary of the Board of Directors who response as the meeting secretary, as well as the Bank's top executives, Group Head of Financial Management, auditor, representative of the shareholders' rights protection volunteer, Thai Investors Association, representative of KTB Law Co.Ltd. who response as the meeting inspector and minority shareholders who nominate themselves to be representatives of the meeting in witnessing the vote counting.

- Method of voting in each agenda using a ballot, vote counting by computer, meeting resolution and method and procedure for inquiry or comment, which the assistant company secretary has informed shareholders before the meeting starts.

- Chairman's invitation that invited shareholders who wished to inquire or express their opinions on each agenda, names-surnames of shareholders and a summary of key questions, opinions and proposals, names-surnames of directors and executives of the Bank who answered each agenda including questions that shareholders had left.

- Resolution of the shareholders' meeting with details of the number and proportion of votes of shareholders in each agenda that are obviously specified as agree, disagree, abstain and voided ballot.

#### 1.2 Practices for Equal Protection of Basic Rights

The Bank's shares consist of 2 types of shares: ordinary shares and preferred shares, which have the equal vote, namely 1 share as 1 vote and with the majority rule except the case as specified in the Bank regulations or as otherwise provided by the law. The Bank determined a shareholders' meeting process in a manner that supports equitable treatment of shareholders as follows:

- In the agenda for consideration of directors' remuneration, the Bank proposes all types of monetary remuneration to the shareholders' meeting for approval on an annual basis. There are no other benefits for directors other than those approved by the shareholders' meeting. The Bank has

specified in the invitation letter to inform shareholders of the policy and criteria for remuneration of directors and sub-committees' remuneration by comparing regulations and remuneration rate, including the consideration of the appropriateness of duties and responsibilities in providing policies, solving problems and decision making in the Bank's business operations for aiming the target and business direction of the Bank, which is compared with listed companies in the Stock Exchange of Thailand and commercial banks at the same level and approved by the consideration of the Nomination and Remuneration Committee. Hence, it was also stated that the Bank does not provide any other benefits to the director holding position in the Board of Directors. The Bank provided the amount of remuneration as well as its information of the previous year. At the 28th annual general meeting (2021), there is an approval of directors' remuneration of 2021: monthly remuneration and meeting allowances for Chairman and directors of the Board, meeting allowances for Chairman of the committee and subcommittees and the directors' gratuity for the year 2020 as proposed.

- For participations of shareholders in supervising the Bank and nomination of qualified individuals who perform their duties efficiently for the maximum benefits of all shareholders and stakeholders, the Bank give opportunities for shareholders to nominate persons with qualification information and the consent of the nominee to be selected through the Nomination and Remuneration Committee and the Board of Directors consider and suggest to the shareholders' meeting to consider the election as directors. The Bank proceeds in compliance with regulations specified by the Bank through the website of the Bank 3 months prior to the end of fiscal year, December 31 of every year. The 28th Annual General Meeting of Shareholders (2021) period was specified from October 1 to December 31, 2020. For the 29th Annual General Meeting of Shareholders (2022), the period was specified from October 1 to December 31, 2021. The Bank informed the shareholders of the rights through an electronic news system on the website of the Stock Exchange of Thailand and the Bank's website on September 25, 2020 and September 20, 2021 respectively. There are no shareholders nominating the name for a nominating consideration. The Assistant Secretary informed the shareholders' meeting before entering the meeting agenda that no shareholder nominated a person to be elected as a director. The Bank recorded the above information in the minutes of the shareholders' meeting.

- The Bank provides the final version of the invitation letter to the meeting and meeting documents in Thai and English versions, which can be downloaded on the bank's website from 19 March 2021 or 21 days prior to the meeting day. The purpose was to provide the shareholders an opportunity with adequate time to acknowledge the meeting information before receiving the aforementioned invitation letter in the form of printing documents. For shareholders meeting invitation letters distribution, the Bank assigned Thailand Securities Depository Co., Ltd. and the Bank's share registrar as the operators to distribute

meeting invitation letters to shareholders with a right to attend the meeting. The invitation letter is separately sent out according to languages, Thai version for Thai nationality shareholders and English version for foreign shareholders. The delivery had been made through Thailand Post on 2 April 2021, which was 7 days prior to the meeting day. Furthermore, the Bank published notification on 1 daily newspaper for 3 consecutive days from 29 - 31 March 2021, which was 11 days prior to shareholders meeting day. The Bank has published the report of shareholders meeting on the Bank's website within 14 days from the shareholders meeting day (23 April 2021) which can be downloaded both in Thai and in English. The Bank has notified the information via electronic news system on the website of the Stock Exchange of Thailand and the website of the Bank on 23 April 2021 in order to notify the shareholders about publication of the minutes of the shareholders' meeting. The Bank also provides an opportunity for shareholders who have questions or expresses their opinions regarding the minutes of the meeting to ask questions or express opinions to the Bank within 1 month from the date of the resolution.

### 1.3 Practices for Prevention on the Conflicts of Interest

1.3.1 The Board of Directors has approved and announced the implementation of code of conduct with the purpose for Bank's directors, executives and employees to adhere to as a guideline on standard practice, ethical business operations and law compliance. This is not only to be in compliance with this Code, but also in understanding and intent to comply with the law. It is the duty of all supervisors at all levels to monitor their subordinates to implement according to the code of conduct as part of the employee discipline. In this regard, conflicts of interest have been determined. It is included as part of the Code of Conduct, which contains best practices on the use and blocking of insider information, personal investment activities, avoiding conflicts and obtaining and delivering incentives. Inclusive, the manual for preventing conflicts of interest should be prepared for the Bank's employees and executives to use as a principle of practice.

#### 1.3.2 Prevention of the Use of Insider Information

- The Bank has a policy that no directors, executives, employees and relevant persons are allowed to use insider information of the Bank for personal benefit or for outsiders. The Bank also determines insider information retention in writing and everyone in the organization shall comply with such determination. The main point is that employees are not allowed to trade and transfer in/out securities in a manner that is likely to be a disadvantage to outsiders by using inside information that is significant to the change in prices of securities that have not been disclosed to the public or the Stock Exchange of Thailand, and such employees perceives the information by their positions that are able to know the facts or by being employees of the Bank whether the said act is done for the benefit of oneself or others or disclosing such insider information for others to do so in which they receive the benefit. Any non-compliance or violation will be considered as nondisciplinary action in



accordance with the Bank's operating regulations as well as related legal actions.

- The Board of Directors, the President, the Group Head and incumbents of Department Head or equivalent or higher within the Account or Finance Group, are responsible for reporting changes in securities holding issued by the Bank of themselves, their spouses and their children who are underage, to the Securities and Exchange Commission according to the regulations determined by the Securities and Exchange Commission.

- The Bank has a report of the Bank's shareholding of the Bank's shareholding of the Board of Directors, the President and the Group Head including their spouses and their children who are underage, to the meeting of the Board of Directors on a monthly basis as well as disclosing the Bank's shareholding and changes of the Bank's shareholding in the past year in the annual report of the Bank.

- The Bank supervises the trading of securities and the use of inside information retention by determining a limited period of trading of securities issued by the Bank and regularly announce the regulations on the prevention of the use of insider information to the Board of Directors and employees through various communication channels of the Bank.

- The Board of Directors has a policy requiring that all Bank's Directors must inform a secretary of the Board of Directors meanwhile the top executives to inform Retail Banking Regulations and Market Conduct Department respectively regarding the purchase of Bank's shares at least 1 day prior to the trading day.

### 1.3.3 Conflict of Interest of the Director

- For the meeting no. 13/2009 (751) in June 18, 2009, the Board of Directors considered to follow section 89/14, 89/15 and 89/16 of Securities and Exchange Act B.E. 2535 (1992), which is stated that a director and an executive shall file with the company a report on his interest or a related person's interest in relation to management of the Bank or the subsidiary in accordance with the form specified by the Bank and the Bank secretary will be responsible for keeping a report on interest then the Bank secretary shall submit a copy of report on interest to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 business days from the date on which the Bank has received such report. In this regard, during 2021 and previously, directors and executives of the Bank have reported in accordance with the rules and procedures prescribed by the Board of Directors. In addition, as the Bank regulation no.34 is prescribed that any director has a vested interest in any meeting, he/she shall not vote on that matter or the President may invite him/her to leave the meeting temporarily.

### 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 names of Directors, and high-level executives, including related persons and related juristic entities in accordance with the regulations prescribed by

the Financial Institution Business Act, so that the internal departments can use them as a baseline to check the list of related persons, which will result in a list of the related party transactions or connected transactions. The detail of the policies and practices are as follows:

#### Policy on Pricing

To prevent conflict of interest that may arise from conducting related-party transactions, the Bank has used the market price or fair price in conducting all types of transactions unless otherwise specified by the regulators.

#### Measures for Approval of the Related-Party Transactions or Connected Transactions

The Bank gives importance to prevention of conflict of interest from conducting related-party transactions or connected transactions. In approving such transactions, the Bank has carefully considered the issues with integrity, good faith, justification 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 Compliance and Legal Management Group" 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 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 opinion to comply with good corporate governance and the regulations of the Stock Exchange of Thailand.

3) Lending or investing in business in which the Director has interest must be unanimously approved by the Board of Directors without the attendance of such Director. To prevent 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.

## 2. Roles of the Stakeholders

The Board of Directors has a goal of conducting business for the satisfaction of all stakeholders. Hence, the stakeholders can directly contact the Board of Directors and relevant departments of the Bank, whether for whistleblowing or expressing opinions, as well as making complaints through various channels

### 2.1 Stakeholder Treatment Policy

The Bank treats its stakeholders with respect to their rights under relevant laws and does not act in violation of the rights of stakeholders, as well as providing a process to promote cooperation between the Bank and its stakeholders. The purpose is to make fair benefits and contribute to the creation of wealth and sustainability for the business.

### 2.2 Practice and Guidelines for Stakeholders

The Bank recognizes 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 Human Rights

The Bank has a policy to conduct business in compliance with domestic law, international laws and the Universal Declaration of Human Rights (UDHR). The Bank encourages the basic principles of human rights in every business line and in all areas where the Bank operates. The Bank also respects the protection of human rights and is not involved in human rights violations in accordance with the principles set out in the United Nations Universal Declaration of Human Rights.

#### 2.2.2 Intellectual Property

The Bank has a policy to conduct the business without violating all intellectual property rights such as trademarks, patents, trade secrets and other copyrighted works. In 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 are patents, trademarks, copyrights, trade secrets and other information of the Bank.

#### 2.2.3 Procurement with Government

The Bank insists on competing in a business world with honesty and transparency. Any work processes related to procurement must comply with procurement law and regulation. The Bank must not interfere or take advantage of personal relationships for doing anything inappropriate to any government officers in order to obtain contracts or agreements from governmental organizations or state enterprises both domestically and internationally. Most of all, the Bank must comply with Anti Bribery and Corruption.

#### 2.2.4 Anti-Bribery and Anti-Corruption

The Bank has a policy to conduct business operations in compliance with law, morality, related standards together with all kinds of anti-bribery and anti-corruption. The Bank complies with Corporate Governance Policies which are internationally accepted. At the same time, the Bank determines the Anti Bribery and Corruption Policy and declares such policy to the public, as well as providing Whistleblowing as a channel for reporting of misconduct, fraud and corruption and preventing internal data usage and conflict of interest. The Bank participates in the Anti-Corruption Network and encourages other companies and trading partners to declare Anti Bribery and Corruption Policy including participating in Anti-Corruption Network as well. The Bank is certified for the membership renewal of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) for

the second consecutive time.

### 2.2.5 Practical Guideline to the Stakeholders

The Bank categorizes stakeholders and strictly comply with the policy on treating stakeholders at least in the following following matters:

#### Treatment to the Shareholders

The Bank operates in accordance with the policy of protecting shareholders' rights and treating them equally and fairly. The Bank is determined to conduct business with prudence and transparency, making profits grow continuously and steadily, completely comply with laws and regulations, adhere to code of conduct for creating shareholders' trust as well as boosting its competitiveness and creating more value for the shareholders in the long run.

#### Treatment to the Customers

The Bank has a policy to treat customers with the determination to service to customers with willingness, equity and fairness, while conducting business under the law and related standards. The Bank provides a diversity of quality financial products and services. In this regard, the Bank develops working processes with advanced technology, as well as developing service channels using various technologies in order to reduce cost and to facilitate the customers to get access to such services. As a result, the Bank can satisfy the needs and expectations of customers for maximum benefit and satisfaction. For data safety, the Bank prepares measures to take care of customers' confidentiality and do not disclose customer information or confidentiality, unless required by law or with the customer's written permission. Besides, the Bank also organizes the customer complaints channels and assigns a supervisory agency to take good care in customers' problems solving. The Bank also conducted customers' satisfaction surveys for improving product and service. Any advertisement or promotion (sales conduct) must be done responsibly and must not lead to misunderstandings or get advantage from customers' misunderstanding.

#### Treatment to the Creditors

The Bank has policy and practice guidelines to treat creditors of all groups, including depositors, debenture holders and other creditors equally and fairly under the agreements of covenants agreed upon. In case of non-compliance with any one of the covenants, the Bank will promptly notify the creditor to jointly discuss the issue. In conducting business negotiation, the Bank shall refrain from demanding or paying any dishonest benefits in trading. Moreover, the Bank regularly prepares financial reports that are accurate, complete and submitted to the creditors in a timely manner.

#### Treatment to the Trading Partners

The Bank has policies and guidelines to operate business with all trading partners equally. The Bank honestly conducts procurement and agreement for transparency by emphasizing on the maximum benefit of the Bank as a priority, not benefiting to someone only, providing complete, accurate and truthful information to the customers, avoiding gift / reward / banquets or specific private service receiving. The objective is

to avoid rumors and to prevent favoritism in someone specially by strictly complying with procurement regulations. Additionally, the Bank established written policies relating to fair treatment and accountability to trading partners and published them on the Bank's website, such as procurement policies, merchant selection criteria, guidelines for working with the Bank, and various procurement announcements, etc. Besides, the Bank promotes development and supports sustainable business with trading partners by occasionally providing knowledge, developing trading partners' potential, enhancing production capability together with standardized service, clarifying and monitoring that trading partners respect human rights and treating their workers fairly, responding to social and environment as well as monitoring, inspecting and evaluating trading partners, etc.

#### Treatment to the Business Alliances

The Bank has policies and guidelines for its business alliances with a commitment to comply with the agreements made with its business partners. The Bank provides business assistance and combines mutual benefits, both in terms of knowledge to develop their potential and to enhance their ability to provide standardized services in order to achieve overall business results.

#### Treatment to the Competitors

The Bank has policies and guidelines to operate business with fairness, transparency, not create unfair competitive advantage as well as having no policy to falsify or distort competitors' facts. At the same time, the Bank avoids making deals or discussions with employees of other organizations or financial institutions about geographical locations, marketing, customer segmentation, interest rates, fees and commissions as well as products, services or business plans that may exert a negative impact on the Bank's business competition.

#### Treatment to the Society and Environment

The Bank has a written policy on social and environmental responsibility, and published on the bank's website. The emphasis is placed on instilling awareness of social and environmental responsibilities among executives and employees at all levels through various CSR programs organized by the Bank with an intention to be a good organization in the society as well as participating in overall community and society development. For the environment, even the Bank's business is mainly related to finance and economy, which does not directly affect the environment and natural resources, but the Bank realizes the importance of environmental saving.

The Bank's Code of Business Conduct" has set the topic the Code of Business Conduct on business operating, which covers the principles of reward and social responsibility that focuses on sustainable development, including taking care for the environment for efficient and effective use of resources, reducing the environmental impact due to the operations and encouraging all employees to focus on environmental protection. Environmental training courses are organized, as well as to promote learning outside the classroom through educational activities and to conserve nature and the environment with

hands-on practice. The Bank requires the preparation and disclosure of the corporate social responsibility report, which summarizes the key activities in the previous year in the Annual Report or the Sustainability Report of the Bank accordingly.

#### Treatment to the Board of Directors and Executives

The Bank's Board of Directors and executives are expected to be aware of their rights and they are ready to be a role model in exercising their rights and performing their duties as specified by the Bank. At the same time, they realize the importance of equitable and fair rights among groups of stakeholders.

#### Treatment to the Employees

The Bank has policies and guidelines to the employees through highlighting importance to human resources management and development. The Bank employs the human resources management system in which employees of all levels have equal chance to advance in their career path. The Bank complies with the related law and standard fairly and respects human rights. At the same time, the Bank also ensures that employees' salary, remuneration, welfare and other benefits are appropriate according to the duties and responsibilities and comparable to those of other leading companies or financial institutions. The Bank has a policy to provide remuneration to its employees in accordance with short term and long-term performance of the Bank, by means of executing the Balanced Scorecard as a measurement of employee's performance for employee's remuneration payment. The Bank proceeds PDO Policy (Performance Driven Organization) in which the employees receive remuneration in compliance with their own performance. With the intention to encourage employees to have a better quality of life, the Bank also provides various kinds of welfare in order to meet employees' needs. In terms of employee welfare, the Bank promotes the well-being of employees by providing benefits such as a clinic to provide medical care to employees, their families and retired employees; medical allowances, educational allowance for children of employees, welfare loans as well as the provident fund, etc. .

The Bank improves learning methods, organizes training programs and courses, including personnel development processes to promote and increase the potential, skills and knowledge of employees to be ready for business competition at all times as well as in line with the Bank's strategy. Additionally, the Bank also organizes training projects on mental development through meditation. In addition, there is promotion of knowledge and importance of employee safety by providing a safe and conducive atmosphere and environment to work, setting up safety measures that must be carried out in accordance with the law and those set out by the Bank. Each agency is required to prepare a manual for emergency plans to use as the practice guideline safeguarding employees themselves and the Bank's assets, both in normal situations and in crisis situations. Moreover, all employees are encouraged to treat each other with respect for their rights and mutual respect in accordance with the guidelines set forth in the Employee Code of Conduct.

### Treatment to the Government Sector

The Bank believes that proper business practices along with good ethics are the cornerstones for the Bank's stable and sustainable growth. Besides aiming to generate profits for shareholders, creating wealth for customers and supporting overall society in enhancing better life, the Bank also focuses on strictly complying with law, announcements and regulations from supervisory authority as well as cooperating with other related organizations in joining to strengthen the stability and growth of the nation.

### 2.3 Stakeholders Engagement

In its operation, the Bank adheres to good corporate governance principles, emphasizes on management with transparency, integrity and fairness to all stakeholders and takes into account the benefits of all related parties including employees, customers, society, shareholders, trading partners and regulators. The Bank has also announced its adoption of anti-bribery and corruption policy which is crucial for developing business operation processes that meet the standard, generating growth and wealth to all stakeholders following the Bank's "Growing Together with Sustainability" vision. The Bank has established stakeholder treatment policy as part of its corporate governance policy and code of business conduct. The Bank stipulated the equity treatment to all groups of stakeholders by considering impact on stakeholders and the rights of stakeholders to engage via various channels. For instance, the Bank reviewed and updated its principles in anti-corruption policy to be modern and meet international standards as well as employing the Zero Tolerance policy. Furthermore, the Bank has conducted surveys to solicit employees' opinions in order to take the results to improve management conditions to fulfill the needs and expectations of the employees. The Bank allows external stakeholders to participate on occasions, for example, shareholders may voice their opinion freely, propose an agenda and nominate a candidate for director at the Shareholders Meeting. Additionally, stakeholders may directly contact committees and business units involved in the matter to give useful suggestions or information that will benefit the Bank or make complaints about any wrongdoing, fraud, inaccuracies, and lack of transparency.

### 2.4 Whistleblowing and Complaints

#### Whistle Blowing Channels

The Bank sets the whistle blowing policy and gives opportunities to stakeholders to report any wrongdoing through various channels. Any wrongdoing including corruption, illegal, violating regulation of the Bank's or regulators made by directors, executives, staff, employee or subsidiaries' staff can report through the specified channels. Anyhow, the information of the whistle blower will be kept confidential and protected during the examination and after the process finishes. Whistle blowing channels are as follows:

- The Chairman of the Board of Director  
Email: [whistletruth@krungthai.com](mailto:whistletruth@krungthai.com)

- Whistle Blowing Team
  - Email: [whistle@krungthai.com](mailto:whistle@krungthai.com)
  - Send a letter to Whistle Blowing Team, the Office of the President 35 Sukhumvit Road, Klong Toey Nua Subdistrict, Wattana District Bangkok 10110
  - Tel : +662 208-4120
  - Fax : +662 256-8778

#### Channels for Complaints

- Krungthai Contact Center +662 111-1111 (24 hours)
- Krungthai Bank website
- E-Mail: [compliant.center@krungthai.com](mailto:compliant.center@krungthai.com)
- <http://www.contactcenter.ktb.co.th> or E-mail: [call.callcenter@krungthai.com](mailto:call.callcenter@krungthai.com)
- Fax: +662 256-8170
- Send a letter to Office of the Board of Directors, Krung Thai Bank Plc., 13th floor, Nana Nue Building, or PO Box 44, Hua Lamphong Bulk Mail Center, Bangkok, 10331
- Customer satisfaction survey by Business Risk and Macro Research Team. The responses collected will be submitted to executives and related business units for improvement.
- Employees can directly report or make comments to the Board of Directors and Executives by sending an e-mail to their respective email addresses which can be found in the phonebook on intranet. Other complaint channels are:
  - Send email to [hr.care@krungthai.com](mailto:hr.care@krungthai.com) administered by the Head of Human Resources and Corporate Governance Group, the Head of Welfare and Employee Relation Sector and the Head of Discipline and Employee Relation Department
  - Hotline telephone: +662 208-8887/  
E-mail : [Hr\\_hotline@krungthai.com](mailto:Hr_hotline@krungthai.com)

Channels for shareholders wishing to present issues that are beneficial to the Bank or relevant matters relate to the rights of shareholders through Independent Director Committee via E-mail: [share.holder@krungthai.com](mailto:share.holder@krungthai.com)

#### Complaint Handling Process

- a. Complainants proceed through various complaint channels. The list of complainants will be kept confidential and protected both during and after the process.
- b. Relevant business units rank the severity as follows:

- Request for help
- Suggest
- Complaint
- Urgent complaint



c. Relevant business units provide immediate assistance/consultation/follow up, as the case may be.

d. 1) In the case of Crisis Communication/failure to resolve issues: Relevant management can be reported immediately in order to promptly consider submit such issue into the crisis communication management process

2) Complicated case/fraud: Must comply with regulations/submit the matter to the Internal Audit Group to perform an inspection immediately

e. Related business units conduct the summary report on a monthly/timely/annual basis

f. Review the process annually

The Bank has a policy to conduct business with responsibility to its customers, covering 3 key principles, namely integrity, fairness and responsibility to stakeholders. The related operations can be divided into 3 parts as follows:

1) Taking into account the principle of taking care of the interests of customers as priority and providing fair services. The Bank will not disclose customer information or confidentiality, unless required by law to disclose or obtain written permission from the customer.

2) Emphasis is placed on timely handling of customer complaints, surveying the circumstances, understanding and dealing with customer complaints in an appropriate, fair and transparent manner.

3) Conducting advertisements, organizing marketing activities, presenting products and services to meet the needs of customers by providing accurate and complete information that is useful before deciding to use the service.

### 3. Disclosure and Transparency

#### 3.1 Disclosure and Transparency Policy

The Board of Directors gives policy and supports the Bank to monitor the information disclosure and the transparency operation, fair treatment for stakeholders, adhering to conduct business responsibly to society, enhancing all executives and employees to be good citizen and performing their duties with honesty, transparency and morality as well as leading to Corporate Governance Culture and be accepted by governmental and private organizations. The Board of Directors schedules and supports policy to disclose the Bank's information in accordance with law, regulation, requirement and other important standards by providing Information Disclosure and Transparency Guideline for all levels of employees, all departments in the central part and region as well as publishing on the Bank's website.

#### 3.2 Transparency and Disclosure Practices

##### 3.2.1 Information disclosure under the Official Information Act, B.E. 2540 (1997)

The Bank has taken steps to disclose the Bank's information to the public in accordance with the Official Information Act, B.E. 2540 (1997) for the benefit of the people in accessing the Bank's information. The main points of the proceeding are as follows:

##### 3.2.1.1 Dissemination of Information in the Information System

The Bank established the e-Procurement sub-site (Procurement announcement) that directly links (Quick Link) with the Bank's website [www.krungthai.com](http://www.krungthai.com) in order to facilitate the general public to access information and news about the Bank's procurement. It is required to specify a current summary of procurement considerations between the Bank and external parties, announcements of the Bank's procurements which are announcements of procurement by price examination and e-bidding, announcement of cancellation of price examination and e-bidding, announcements of the winner of price examination. In addition to searching for information from the Bank procurement as already published, those interested in proposing for the Bank's procurement can log in to the system by themselves, by only providing their personal information and comply with terms and conditions determined by the Bank.

##### 3.2.1.2 Disclosure of the Bank and Customer Information to Requesting Agencies and Third Parties

Legally authorized agencies, government and private agencies are able to request for an audit of the Bank's information under the rules and regulations of the Banks as follows:

###### a) Legally Authorized Agencies

To request documentary evidentiary or information or request for the Bank employees court testimonies, the legally authorized agencies are able to request information and documentary evidentiary related to account opening application form and accounting transaction of deposit account as well as requesting for deposit-withdrawal information audit, requesting for an acknowledgement of the remaining balance in the deposit account, etc

###### b) Non-Legally Authorized Agencies and Individuals

There are government agencies, private sectors and the general public who request for the information audit. Most of the requests are personal information audit which the Bank cannot disclose due to the Official Information Act, B.E. 2540 (1997), Section 24 which states that "A State agency shall not disclose personal information 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."

##### 3.2.2 Disclosure of Information in Compliance with the Principles of a Listed Company and Good Corporate Governance

The Bank oversees that key information, financial and performance related data are disclosed adequately, accurately, completely, transparently, comprehensively, timely and reliably as prescribed in the requirements of the Securities and Exchange Commission and those of the Stock Exchange of Thailand, namely Annual Report or Form 56-1 One Report. However, most of the information in such forms is disclosed on the Bank's website in Thai and English with regular updates, thus helping shareholders, customers and interested persons to access the reliable information with ease and equality. The Bank proceeded at least as follows:

### 3.2.2.1 Financial Information Disclosure

The Board of Directors recognizes and is responsible for the financial statement of the Bank and its subsidiaries including the financial information that appears in the annual report. Such financial statement is prepared in compliance with the Generally Accepted Accounting Principles by using appropriate accounting policy based on prudence, accuracy, and completeness in order to accurately reflect the Bank's operating results. It is required to provide performance reports and disclose important information transparently and sufficiently by continuously reporting to the Stock Exchange of Thailand for the benefit of shareholders and general investors. In addition, the Board of Directors appointed the Audit Committee comprising the Independent Directors who are responsible for supervising the reliability and accuracy of financial reporting as well as supervising the internal control system sufficiently and appropriately as to ensure that the financial statement of the Bank is reliable and in corresponding to the law and related regulations.

#### Financial Information Disclosure

- Delivery of financial statements and financial reports within the timeframe in accordance with the regulations of the regulatory agencies, namely the Securities and Exchange Commission of Thailand, the Stock Exchange of Thailand and as required by the relevant laws.
- Preparation of explanation and analysis of the management for analytical summarization and for using as a reference of quarterly disclosure of financial statements.
- Preparation of accurate financial statements in compliance with the Generally Accepted Accounting Principles and selection of appropriate accounting policies.
- Disclosure of auditor remuneration which are audit fee and non-audit fee in the annual report annually.
- The Board of Directors requires responsibilities of the Board of Directors for the financial report. The Bank discloses such reports together with the auditor's report in the annual report.

### 3.2.2.2 Non-Financial Information Disclosure

- Disclosure of the operations of the Board of Directors such as approval and support for the Bank to establish a corporate governance policy in writing e.g., Corporate Governance Policy, Social and Environmental Responsibility Policy, Anti-Bribery and Corruption Policy, etc.
- Annual preparation of the Principles of Good Corporate Governance Compliance report and the Sustainability report by disseminating policies and Good Corporate Governance Compliance report on the Bank's website.
- Disclosure of name list, personal background, duties & responsibilities and term of office for all directors and subcommittees directors as well as number of meetings and the number of attendances of each director for the meeting in the last year, training record of each director in the annual report and on the Bank's website.

- Disclosure of the shareholder structure of the Bank and the Bank's shareholding information of directors and executives for both direct and indirect ways.

### 3.2.2.3 Financial and Non-Financial Information Disclosure

- Disclosure of the Policy and Remuneration of each director and top executive which reflect their duties and responsibilities. The Bank provides reasonable remuneration to directors. The Bank has a Nominating and Remuneration Committee to review the policy by considering the appropriateness in accordance with the responsibilities of directors, the Bank's financial status, comparable with other companies in the same business and following the resolutions of the shareholders' meetings.

## 3.3 Disclosure According to the Terms of Being a Limited Company

### 3.3.1 Investor Relations

The Finance Strategy Team has been assigned to equally and fairly provide and disseminate information of the Bank which are beneficial for all related parties, including investors, stock analysts, domestic and foreign fund managers as well as government agencies through communication events. At present, the Bank assigns Ms. Preeyanun Sakpichaisakul, Senior Vice President, Finance Strategy Team to be the responsible officer for the Bank's investor relations to meet with analysts and investors on various occasions as follows:

Format	No. of Times
One-on-One Meeting & Conference Call	74
Analyst Meeting & Fund Meeting	8
Investor conference / Roadshow	3
<b>Total</b>	<b>85</b>

#### Contact Information: Finance Strategy

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 Address: Krung Thai Bank Pcl., 12th floor,  
 Nana Nue Buliding 35 Sukhumvit Road,  
 Klong Toey Nua, Wattana, Bangkok, 10110  
 Bank's Website: Navigate to "Investor Relations" menu

### 3.3.2 Communication and Branding of the Bank

Marketing Strategy Department has been assigned to publish news and information of the Bank through mass media on various occasions in 2021 as follows:

Format	No. of Times
Press Release	178
Press Conference	20
Press Interview	21
<b>Total</b>	<b>219</b>

## 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, 2021, pages 008-009

### 7.2 Information about the Board of Directors

#### 7.2.1 Structure of the Board of Directors

The Board of Directors consists of the members who passed the recruitment process from the Nominating and Remuneration Committee as stipulated by law and good corporate governance principles. The Nominating and Remuneration Committee considered candidates from various sources, including the director pool in order to nominate the person with expertise matches to a specific skill matrix that is in line with the Bank's present and future missions and strategies, including the Bank's sustainable growth. Therefore, the Board of Directors consists of a group of persons with various qualifications in terms of skills, experience and talents that are beneficial to the Bank. The Board comprises at least 1 person having knowledge or working experience related to the commercial banking business, at least 1 person in accounting and finance, and at least 1 person in information technology. Personal differences in religion, culture, race, gender, etc. are not a limitation for holding office of a director of the Bank. As of December 31, 2021, the Board of Directors consists of two women serving as directors (1 independent director and 1 director of the Bank). All members of the Board of Directors have sacrificed their time to perform their duties responsibly, therefore, the Bank has a strong Board of Directors. The directors' term of office is prescribed clearly in Corporate Governance policy and Clause 22 states that one-third of the members of the Board of Directors must retire from the position at each Annual Ordinary General Meeting. Moreover, the Bank has established an appropriate term of office for directors: each member of the Board of Directors may not be in the position for longer than 3 consecutive terms of office unless his qualifications justify it. The Board of Directors will consider the effectiveness of such director in performing his duties and explain the reason thereof and his performance to the shareholders. Until now, none of the directors held office for more than 3 consecutive terms.

The structure of the Board of Directors consists of 12 members in accordance with the resolution of the 14th Annual General Meeting of Shareholders on April 27, 2007. The number of the directors is appropriate for the size of the organization and efficiently performing duties as well as creating a proper balance of power. On December 31, 2021, there were 12 members of the Board of Directors. The Board of Directors, therefore, consists of 1 director who is the Bank's executive and 11 directors who are not executives, whereby 6 of them are the Independent Directors or equal to 50 percent of the total members. The number of the independent directors exceeds the SEC's regulations requiring at least one-third of the board, and at least 3 persons. All Independent



Directors have all the qualifications according to the Bank's definition and are in line with the Capital Market Supervisory Board's regulation that are independent from the management and the major shareholders. No Director can serve more than 9 consecutive years

The Board of Directors has emphasized the importance of roles and responsibilities of the independent directors as the essential part that constitutes the sufficient checks and balances on the structure and management of the Board of Directors. Each Independent Director is capable of providing independent and controversial expression of opinions or other observations on agenda items under consideration in the Board of Directors meeting, with the intention to defend rights and protect benefits of minor shareholders and other stakeholders, as well as contributing to the implementation of good corporate governance of the Bank. The Bank's Independent Director Committee originally has its directorship roles and responsibilities. The Board of Directors has enhanced the duty and performance of the Independent Director Committee to work in a panel like other Committees of the Bank and formulated the Independent Director Committee Charter in which further qualifications and the term of office, including roles and responsibilities are specified.

The Bank's Articles of Association, Clause 19 states that the committee shall elect a director to be chairman. According to the Charter of the Board of Directors, the chairman of the Board of Directors as the leader of the organization is responsible for overseeing the Bank, shareholders and other stakeholders' interests in order to achieve maximum interests in the long term. The Chairman shall be the leader in synergy of potential, ideas, creativity and competency of the Bank's directors and Management in order that strategic plan will succeed in short and long term. The Chairman shall monitor Management's operations closely and continuously by ensuring that the Management reports financial status and necessary information to the Board of Directors monthly. Moreover, the Chairman shall be a major force to drive the Bank's corporate governance policy and Responsibility to Society and Environment, creating ethics to employees at all levels. Roles and responsibilities of the Chairman consist of 6 aspects: management, meetings of the Board of Directors, development and performance evaluation of the Board of Directors, relationship between shareholders, shareholders' meetings and other roles.

The Board of Directors is responsible for the performance of duties to the shareholders and is truly independent from the Management in order to serve the Bank's and shareholders' best interests. Between the Board of Directors and Management, there is a clear separation of duties and responsibilities. The Board of Directors sets a policy for the Bank's management, work systems, and activities to be carried out in a legal and ethical manner so that no one has unlimited power. The Chairman of the Board of Directors is, therefore, a different person from the President and there is a clear separation of duties and responsibilities.

## 7.2.2 The Board of Directors and Authorized Supervisor of the Company

- The Board of Directors

Members of the Board of Directors as at December 31, 2021.

1)	Mr. Krisada	Chinavicharana	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 Social Responsibility Committee
4)	Mr. Thanwa	Laohasiriwong	Director, Independent Director, Chairman of the Nominating and Remuneration Committee, Member of the Compliance Committee and Member of the Risk Oversight Committee
5)	Prof. Dr. Kittipong	Kittayarak	Director, Independent Director, Chairman of the Corporate Governance and Social Responsibility 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)	Gen. Tienchai	Rubporn	Director, Chairman of the Independent Directors Committee, Member of the Audit Committee and Member of the Compliance Committee
8)	Mr. Poonnis	Sakuntanaga	Director, Executive Director and Member of the Risk Oversight Committee
9)	Ms. Nitima	Thepvanangkul	Director, Independent Director, Member of the Audit Committee and Member of the Corporate Governance and Social Responsibility Committee



10) Mr. Lavaron	Sangsnit	Director, Executive Director and Member of the Nomination and Remuneration Committee
11) Dr. Kulaya	Tantitemit	Director, Member of the Risk Oversight Committee, and Member of the Corporate Governance and Social Responsibility Committee
12) Mr. Payong	Srivanich	President, Executive Director and Member of the Risk Oversight Committee
Ms. Sineenard	Damri-Anant	Assistant Secretary

#### Details of Change of the Directors

1) Dr. Kulaya	Tantitemit	Took the position of a Director on November 9, 2021, replacing Ms. Patricia Mongkhonvanit who resigned from the position of Director on September 23, 2021.
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In 2021, Ms. Patricia Mongkhonvanit resigned from the position of Director, effective September 23, 2021. The Nomination and Remuneration Committee has recruited candidates from various sources, including the director pool, in order to acquire people with knowledge and expertise according to the defined skill matrix, which is consistent with the Bank's current and future missions and strategies, including the Bank's sustainable development in accordance with legal procedures and good corporate governance principles. There is a consideration in accordance with the specified criteria, methods, and processes. Dr. Kulaya Tantitemit has been appointed by the Board of Directors to replace the resigned Ms. Patricia Mongkhonvanit as a director of the Bank, effective since November 9, 2021.

Although the Chairman of the Board of Directors is not the Independent Director, it does not affect his/her independent judgment because the Chairman is an outsider with knowledge, expertise and skills, as well as having been nominated by the Nomination and Remuneration Committee, who have specified a skill matrix in alignment with the Bank's strategies. Moreover, the structure of the Board of Directors and the management has sufficient checks and balances. The Chairman of the Board of Directors is a non-executive director, not being an authorized director, and not holding a directorship in any of the Bank's sub-committees. The Board of Directors shall establish management policies and work systems. Structure of the Board of Directors of the Bank as of December 31, 2021 consists of 6 independent directors out of a total of 12 directors or equal to 50 percent of the total number of directors. The Independent Committee Charter stipulates one of the duties and responsibilities of the Independent Committee that the Independent Committee shall recommend agendas to the Chairman of the Board of Directors in case there are important matters or issues that the Board of Directors should consider and have not yet been included in the meeting agenda. In this regard, the Board of Directors has upgraded the work of independent directors. The independent directors shall operate with the same form of quorum as other sub-committees of the Bank. There is the Independent Committee Charter that prescribes qualifications and terms of position, including duties and responsibilities, and meetings.

- **Authorized director of the Bank**

In 2021, the authorized director to sign on behalf of the Bank is "Mr. Payong Srivanich, the President only."

### 7.2.3 Roles and Responsibilities of the Board of Directors

The Board of Directors' responsibilities are to ensure that all directors and executives perform their duties with responsibility, care, integrity and in compliance with laws. The Board also supervises and oversees the operation of the Bank's subsidiaries in accordance with its objectives, regulations, the resolution of the Bank's Board of Directors and a general meeting of shareholders' resolution under conditions and regulations of related laws and good governance in order to create the Bank's value sustainably. The Board of Directors approved the Charter of Board of Directors that defined the authority and responsibility of the Board of Directors, as well as the role and duty of Chairman of the Board of Directors with the purpose to set as the reference for the operating performance of all Directors. The Charter has become effective since November 21, 2018 onwards. Subsequently, the Bank determined to review the Charter to be appropriate and up to date. In this regard, the Bank's Board of Directors' Charter, which is currently in force, has been reviewed and approved by the Board of Directors' Resolution, No. 15/2021 (1391), dated May 12, 2021. The Bank has published the Charter of the Board of Directors as well as the charter of the sub-committees, in which the interested persons can download 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. Either the President or at least two other directors as delegated by the Board have the authority to sign and affix the Bank's official seal on behalf of the Bank. However, the Board of Directors has the authority to appoint or change the list of the directors who have the authority to sign on behalf of the Bank;

(2) The Board of Directors has the authority to appoint the General Manager and employees as well as agent of the Bank with the authority and duty as the Board deems appropriate. Remuneration, expenses and benefits as well as removal of such persons from office are also within the authority;

(3) The Board of Directors can empower the General Manager to appoint and revoke the appointment of the employees of the Bank. If the General Manager is also a director of the Board of Directors, he is named the "President";

(4) The Board of Directors has the authority to invite any person, as it deems appropriate, to be an advisor assisting the Board on banking business as well as determining wages and remuneration for the advisor;

(5) If the Board of Directors view that the Bank has gained sufficient profits and it is appropriate to pay dividend, the Bank may from time to time pay interim dividend to shareholders and report in the next shareholders' meeting.

### Scope of Authority of the Board of Directors

The Board of Directors shall have the power to conduct all kinds of business of the Company. However, certain kinds of business in accordance with the Limited Public Company Act, the Bank's regulations, including relevant laws and rules of related regulators are specified to be conducted under the power of the shareholders meeting.

(1) Approval of the balance sheets and the profit and loss statements;

(2) Approval of the profit appropriation;

(3) Election of new directors replacing those who completed their term of office or election of the additional directors when there is an increase in the total number of directors;

(4) Appointment of the Bank's auditor and fixing their audit fee;

(5) Increase of capital, reduction of capital and 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 some material parts, acquisition or acceptance of transfer of other business, amendment or termination of agreement relating to renting out partial or the entire Bank's business.

### Responsibilities of the Board of Directors

(1) Perform duties with responsibility, circumspection and honesty, complying with the laws, including oversee and manage the Bank's business in accordance with the objectives, the Bank's Articles of Association, the resolutions of the Board of Directors, and the resolutions of the shareholders meeting as well as supervising the Bank's operations to sustainably create value for the Bank;

(2) Specify the Bank's visions, missions, objectives and business targets with annual review and approval;

(3) Manage and oversee to ensure the Bank has good corporate governance in business operation, including determining an operation policy, a risk management policy with a regular review and assessment. Specify or approve of a good risk governance framework to support business operation according to the direction and objectives designated and supervise that instill organizational culture concerning risk culture;

(4) Supervise to ensure an effective internal control which includes all activities in the Bank's operation and able to reflect errors that may happen in due time, under the organizational structure complying with the 'Three Lines of Defense' model. Perform duty with independence and effectiveness;

(5) Examine key plans, budget, and main resource distribution to achieve objectives and targets. Oversee that the Bank's strategies are implemented as well as evaluate and supervise performance reporting;

(6) Take into account the responsibility of the Board of Directors, respect the rights and treat the shareholders and stakeholders with fairness and transparency. Review and define roles and responsibilities of the Boards of Directors, the President, the Management to be in accordance with the organization's direction, along with oversee that the effective Whistleblowing policy and procedure is enacted effectively;

(7) Supervise that Market Conduct policy, the services which respond to customer needs with fairness, is enacted by an end-to-end process. Provide and manage platforms for complaints from all parties with efficiency and effectiveness. Set out policy to develop and improve the Bank's operation with regard to security and sanitation, corporate social responsibility, environment and personnel development.

(8) Oversee the succession plan and Top Executives development plan so that they are equipped with knowledge, skills, experiences, and essential characteristics necessary for driving the organization to achieve the targets. Supervise the annual assessment of the President, Top Executives and Board of Directors with effectiveness. Determine the remuneration structure to be in line with the organizational culture regarding risks. Provide remuneration fixing system for Top Executives with prudence, transparency and be justifiable with their duties and responsibilities, work performance that is in line with turnover both short term and long term;

(9) Call for an Annual Ordinary General Meeting of Shareholders within four months from the closing of the accounting period. Other general meetings may be called anytime as extraordinary meeting when the Board of Directors deems appropriate or within one month from the date of shareholder's written request;

(10) Attend the meeting of the Board of Directors at least 75 percent of all meetings held in each year as well as the Annual Ordinary General Meeting of Shareholders except when having urgent matters. The Boards of Directors should also raise their opinions that benefit the meeting. Directors of the board which have potential conflicts of the interest in any agenda shall cease from voting on such matters and may be invited to leave the meeting temporarily by the Chairman;

(11) The Board of Directors may appoint a sub-committee to support the directors according to the directors' responsibilities and good corporate governance. One of the directors or more shall be delegated to be in the Sub-Committee and approve of the Sub-Committee Charter which specify its composition, responsibilities, and other matters relevant to the Sub-Committee as deemed appropriate;

(12) Set out self-assessment, and assessment for directors and group assessment twice a year and implement the assessment results for the development of further operation and the consideration on the appropriateness of the Board of Directors' composition. However, the Board of Directors shall invite any person, as it deems appropriate, to be an advisor assisting the Board of Directors in determining directions and recommending issue in performance evaluation of the Board of Directors criteria at the appropriate period of time, for example, every three year, and must disclose assessment operation in the annual report.

(13) Comply with the Code of Best Practice of Directors of Listed Companies and Corporate Governance Code (CG Code).

- **Role of the Chairman of Board of Directors**

Chairman of the Board of Directors, on behalf of the organization leader, has core duty and responsibility to oversee the benefits of the Bank, shareholders, and stakeholders to achieve utmost returns in a long run by means of gathering the capability, idea, creativity, and competency of Committees and the Management in driving the Bank's business plan both short and long terms to accomplish success. In addition, Chairman has monitored management unit operation closely and continually by assigning directors to complete monthly reports of financial statements and important information. The Chairman is also the major person to support policy of corporate governance and corporate social responsibility, and aspiring to instill ethical consciousness to all levels of staff members, according to the following details.

Management Responsibility

(1) Monitor the overview of the Bank strategy and policy to attain equality including giving fair treatment to all customers;

(2) Put an emphasis on transparent lawful work operation under compliance of the government and the Bank along with the shareholder meeting's resolution;

(3) Supervise and ensure that the Board of Directors perform their duties effectively and accomplish the Bank's objectives and main targets;

(4) Ensure that the Directors participate in supporting to create moral organizational culture and good corporate governance.

Board of Directors Meeting

(1) Take the role of the meeting's chairman and attend every meeting except when having urgent matters in order to manage the Board of Directors meeting to be effective;

(2) Set agenda of the Board of Directors meeting with consultant to the President and set out measure to put important issues in the meeting agenda;

(3) Stimulate all Directors to raise their opinions by assigning authorized duty of organization management to the Management as deemed appropriate. Ensure that all directors receive the Bank information correctly, on time, and clearly enough to perform their decision making, which will escort to the effective success of the Bank. The Chairman shall provide time management for the Management to propose resolutions and for Directors to discuss important issues and consult each other. Support the Director consultancies in order to provide the consideration and opinion sharing about related topics in important meetings. Implement policy of maintaining good relationship between Executive Directors and Directors, and the Board of Directors and the management division with consultancies regularly.

#### Development and Assessment in Working Process

(1) All newly appointed Directors will be required to participate in the orientation program and pay a visit in the Bank's business operation so as to familiarize with and adapt to organization culture;

(2) Encourage all directors to join the training courses for competency development or related knowledge which will be advantages for the directors' business operation in famous and acceptable institutions such as Thai Institute of Directors and The Stock Exchange of Thailand;

(3) Support all directors to operate their business by collaborative working as a team to create efficiency and effectiveness in work. In addition, Board of Directors shall undergo the performance assessment, including self-assessment, cross-assessment, and group assessment, in order to take their results to improve and develop director's work performance;

(4) Determine the regular supervision and assessment system for the Bank operation to be in accordance with the policy.

#### Shareholder Relationship

Monitor the communication between the shareholders to run effectively as well as provide them chances to communicate with Directors in order to exchange opinions.

#### The Annual Ordinary General Meeting

Chairman of the Board of Directors takes the chairman role at the Annual Ordinary General Meeting and assigns a responsive person to supervise the Annual Ordinary General Meeting to comply with law and regulations as well as monitor the meeting attendance of Directors. In this regard, shareholders are provided with the meeting rights including participation taking, voting, initiating questions, and requesting clarifications, annual report acknowledgement, approving the balance sheets and the profit and loss statements, approving the profit appropriation and dividend, appointing Directors and fixing Directors' remuneration, appointing the Bank's auditor, fixing their audit fee, and approving the amendment to the memorandum of association of the Bank.

#### The Other Roles of Chairman of the Board of Directors

Chairman of the Board of Directors performs duty with prudence and supervises the structure of the Board of Directors properly, stimulates to implement policy and decision making of Board of Directors effectively, supports activity of corporate governance and corporate social responsibility for Directors, Top executives and all staff members.

##### • Meeting and Quorum

(1) The Chairman of the Board of Directors calls for a meeting of the Board of Directors, or two or more directors may request a meeting of the Board of Directors. In this event, the chairman of the Board shall fix the date of the meeting within fourteen (14) days from the date of receipt of such request.

(2) Board Meetings shall be held at least once a month at any other venue as deemed appropriate by the Board of Directors.

(3) When calling a meeting of the Board of Directors, the Chairman of the Board or the person assigned by him shall send notices calling a meeting to directors not less than seven days prior to the date of the meeting. However, where it is necessary and urgent to maintain the rights or interests of the company, a meeting may be called by other means, and the date of the meeting may be fixed sooner.

(4) At a meeting of the Board of Directors, the number of directors attending the meeting shall not be less than half of the total number of directors in order to constitute a quorum. Each director shall have one vote, and the decision of the meeting shall be made by a majority of votes as the resolution of the meeting. In the case of equal votes, the Chairman of the meeting is entitled to a second or casting vote. In the event that any vacancy occurs on the Board of Directors for reasons other than retirement by rotation, a vote of not less than three-fourths of the remaining directors of the Bank shall be considered as a resolution of the meeting in order to comply with good corporate governance guidelines. The Board of Directors shall pass the resolution by a vote of not less than two-thirds of the total number of directors.

(5) In the event that the Chairman is absent or is unable to discharge his duties, if a vice-chairman is present, he shall preside at the meeting; if there is no vice-chairman or if the vice-chairman is not able to discharge his duties, the directors present at the meeting shall elect one among themselves to be chairman of that meeting.

(6) Any director of the bank who has a special interest in a resolution shall not be permitted to vote. The Chairman may ask him to leave the meeting temporarily.

(7) In case there are vacancies in the Board of Directors to the extent that the number of the remaining directors is less than the number required to constitute a quorum, the remaining directors may act in the name of the Board only in the matters pertaining to the arrangement for the shareholders meeting to elect directors to fill the vacancies.

The Board of Directors has a management policy in accordance with good corporate governance principles. The Board of Directors has a policy to hold a meeting of the Board of Directors without the participation of the Management at least once a year. Moreover, the Board of Directors encourages independent directors to have the opportunity to meet with each other as necessary in the form of a quorum to discuss various issues related to management that are of interest and inform the President of the meeting results. According to the Independent Committee Charter, the Independent Committee shall hold a meeting at least twice a year.

- **Term of Office**

According to the term of office as stated in the Bank's regulations, one-third of the members of the Board of Directors must retire from the position at every Annual Ordinary General Meeting. Each member of the Board of Directors may not be in the position for longer than three consecutive terms of office unless his qualifications justify it. The Board of Directors will consider the effectiveness of such director in performing his duties and explain the reason and his performance thereof to the shareholders.

## 7.3 Information Related to the Committees

### 7.3.1 Committees

The Board of Directors has appointed 7 respective committees: The Board of Directors, the Risk Oversight Committee, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Social Responsibility Committee, the Compliance Committee and the Independent Director Committee. The committees are appointed to study and filter related matters as needed, particularly in case of judgement with non-discrimination to ensure the Board's greater efficiency and effectiveness in performing its duty. The Board of Directors has approved the Charter for each committee, which defines the composition, responsibilities, meetings, and term of office.

### 7.3.2 List and scope of responsibilities of the the sub-committees

- **The Board of Executive Directors**

**Members of the Board of Executive Directors** as at December 31, 2021.

1) Mr. Krairit	Euchukanonchai	Chairman of the Board of Executive Directors
2) Mr. Poonnis	Sakuntanaga	Director
3) Mr. Lavaron	Sangsnit	Director
4) Mr. Payong	Srivanich	Director
Ms. Sineenard	Damri-Anant	Assistant Secretary

#### Authority and Responsibility of the Board of Executive Directors

The Board of Directors has empowered the Board of Executive Directors with the following duties:

- 1) Approve scrutinizing credit, debt restructuring and debt write-off within the authority;
- 2) Approve investment or sales of securities invested by the Bank, trading or renting out Banks' property within the authority;
- 3) Consider and approve the hiring of consultant and procurement operation in accordance with the procurement regulations;
- 4) Scrutinize business plan, policy tasks and annual budget;
- 5) Monitor significant assignments given by the Board of Directors;
- 6) Approve or acknowledge other businesses relating to management that deem necessary, appropriate or urgent to get problems resolved since they may cause damage to the Bank if unattended. Report such issue promptly to the Board of Directors;
- 7) Perform other tasks 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 Director under definition of "Director" in Clause 5.1 of the Bank of Thailand Notification No. FPG. 10/2018 Re: Corporate Governance of Financial Institutions. This excludes Mr. Payong Srivanich, the President, because he holds a position in the Management and is a signatory director with the authority to sign.



### Term of Office of Executive Directors

Equivalent to the Board of Directors' term of office

### • The Audit Committee

List of Audit Committee as of December 31, 2021

1) Mr. Vichai	Assarasakorn	Chairman of the Audit Committee
2) Gen. Tienchai	Rubporn	Director
3) Ms. Nitima	Thepvanangkul	Director
Mr. Panabhand	Hankijjakul	Secretary

The Audit Committee amended scope of authority and responsibility according to the Audit Committee Charter 2021/2022 (revised in December 2021), which was effective on January 12, 2022. The details are as follows:

### Scope of Authority of the Audit Committee

1) The Audit Committee has the authority to have unrestricted access to documents, data, and reports. If 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. In this regard, the management, Bank officers, or outsiders can be summoned to attend meetings with the Audit Committee as deemed appropriate.

2) Entrust with the power to inspect or investigate involved parties within the scope of the Audit Committee's powers, and entrust with the power to hire or bring in specialists to assist in the audit or investigation.

3) In the event that any internal audit operation of the Audit Committee requires the knowledge and competence of specialists, the Audit Committee has the power to seek for consultants or specialists in the field for opinions or recommendations as deemed necessary by charging from the Bank's expense. In this regard, the hiring process shall be in accordance with the regulations of the Bank.

However, the consultants or specialists appointed from outsiders must not have conflicts of interest with the Bank and are not being the parents, descendants, or spouses of the Bank's Directors, the President, Group Heads, Internal Audit Group Head, the Bank's internal auditor or the internal auditors of companies with whom the Bank is involved in making decisions about the company's policies and operations.

### Responsibility of the Audit Committee

#### 1) Financial Reporting and Public Disclosure

1.1) Review the financial reports to ensure their accuracy, adequacy and reliability in accordance with the generally accepted accounting principles;

1.2) Review with the Bank's auditor key issues that may adversely affect the reliability of the financial reports such as:

1.2.1) Significant problems or conflicts encountered during the course of the audit;

1.2.2) Different facts and opinions between the auditor and the management;

1.2.3) Effectiveness of internal control;

1.2.4) Deficiencies or losses found in the current accounting period and the possibility to recur in the following periods;

1.2.5) The draft of the annual financial statements and notes to the financial statements;

1.2.6) The auditor's report.

1.3) Review any connected transactions or transactions that may cause conflict of interest to ensure that the procedure is in accordance with related law, reasonable, and provide utmost benefits to the Bank;

1.4) Review the evidences when doubt about the operation that may significantly impair the Bank's business or conflict of interest that may cause negative impact on the Bank's operation;

1.5) Oversee the information submitted to the regulator to be in line with that in the financial reports.

## 2) Auditor

2.1) Ensure independence of the auditor;

2.2) Review the scope of work of auditor and internal auditors to avoid duplication of work in financial auditing with due consideration of efficiency in the use of resources in the audit process;

2.3) Consider the recruitment, appointment, dismissal and remuneration of the auditor and submit to the Board of Directors in proposing to the shareholder's general meeting. The Committee together with the auditor held the meeting without the presence of the management at least once a year;

2.4) Review the annual audit report and may suggest reviewing or examining on significant or necessary issues before submitting the key recommendation to the Board of Directors.

## 3) The operations of the Bank

Review the operations of the Bank that have significant risks to objectives, important changes in good governance and leading organization, strategic planning, risk management and internal control, emphasis on stakeholders and customers, digital technology development, human capital management and knowledge management and innovation.

## 4) Risk Management

4.1) Review crucial risk levels and risk assessment methods used by the internal auditor and the Bank's auditor whether they are adequate and reliable;

4.2) Review the awareness of the Board of Directors and top executives on key risks and those related to strategic risk, credit risk, market risk, liquidity risk and operational risk.

## 5) Internal Control

5.1) Review the internal control system to ensure its effectiveness and compliance with the standards of the Committee of Sponsoring Organizations of Treadway Commission (COSO) and/or other standards as deemed appropriate. Assess the entire internal control system at least once a year.

5.2) Review the appropriateness and effectiveness of risk management, internal control of the Bank's IT system and its security including business continuity plan.

## 6) Regulatory Compliance

6.1) Review all compliances with relevant laws, rules and regulations stipulated by the official authorities and the regulators so as to prevent the damages from penalty charges, warning as well as the reputation of the Bank and its executives.

6.2) Supervise the financial conglomerate

6.2.1) Supervise and monitor the operation to be in line with the financial conglomerate policy;

6.2.2) Review accuracy and adequacy of financial report of the financial conglomerate

6.3) Review the accuracy of references and self-assessment of the anti-corruption measures of the Bank according to Thailand's Private Sector Collective Action Coalition Against Corruption Project.

## 7) Internal Auditor

7.1) Ensure independence of the internal auditor;

7.2) Directly supervise the Internal Audit Group, excluding the management of the Internal Audit Group that report directly to the President;

7.3) Oversee the Internal Audit Group to adhere to moral ethics and corporate governance with generally accepted audit standards as well as examine and review Code of Conduct of audit officers prior to submission to the Board of Directors for approval;

7.4) Examine and review the Charter of the Internal Audit Group regularly

7.5) Consider and approve the strategic plan for internal audit, organization structure, manpower, annual internal audit program, review plan for credit transactions of financial institutions of the year, as well as budget used in internal auditing/credit review report. The purpose is to focus on the efficiency and effectiveness of activities, and to prioritize them by taking into account the level of risk.

7.6) Review the internal audit reports/credit review report and call a meeting with Group Head of the Internal Audit Group without the executives and the Management to see if there is any interference that may cause negative impacts on the independence and freewill of the internal auditor;

7.7) Oversee the complaint and Whistleblowing reported to the Internal Audit Group to ensure the appropriate audit;

7.8) Review with the Internal Auditor Group Head of competency to be in accord with policy or the competency of Bank's use of property or work manual;

7.9) Investigating and considering with the management division in the matter of errors found and the response of the Management;

7.10) Submit opinions to the Board of Directors concerning the appointment, transfer, dismissal, remuneration fixing and appraisal of the Internal Audit Group Head and all internal auditors of the Internal Audit Group;

7.11) Assess the performance of the Internal Audit Group Head;

7.12) Perform the Independent Quality Assessment Review by an external auditor at least every five years.

8) **Performance Assessment:**

Conduct self-assessment and the Board of Directors will evaluate the annual performance of the Audit Committee.

9) **Establishment/Review of Charter of the Audit Committee and the Operation Practice Manual of the Audit Committee**

9.1) Establish and review Charter of the Audit Committee at least once a year before submitting to the Board of Directors for approval.

9.2) Establish the operation practice manual of the Audit Committee at least once a year before submitting to the Board of Directors for approval.

10) **Other Responsibilities**

Perform other duties as assigned by the Board of Directors, which is under the responsibility of the Audit Committee.

**Member of the Audit Committee with experiences in reviewing financial statement**

Gen. Tienchai	Rubporn	Director
Ms. Nitima	Thepvanangkul	Director

• **The Corporate Governance and Social Responsibility Committee**

**List of the Corporate Governance and Social Responsibility Committee** at December 31, 2021.

1) Prof. Dr. Kittipong	Kittayarak	Chairman
2) Mr. Vichai	Assarasakorn	Director
3) Ms. Nitima	Thepvanangkul	Director
4) Dr. Kulaya	Tantitemit	Director
Mr. Krit	Chamapisit	Secretary

**Details of Changes of Directorship**

1) Ms. Patricia	Mongkhonvanit	Resigned from the position of Director of the Corporate Governance and Social Responsibility Committee on September 23, 2021.
2) Dr. Kulaya	Tantitemit	Took the position of the Director of the Corporate Governance and Social Responsibility Committee on November 10, 2021.

**Scope of Authority and Responsibility of the Corporate Governance and Social Responsibility Committee**

1) Determine policies, operational guidelines, together with consider and screen budgets for Corporate Governance and Social & Environmental Responsibility, and propose to the Board of Directors for consideration. Regularly review to ensure that content matters are appropriate and up-to-date.

2) Supervise the performance regarding the Corporate Governance and the Social & Environment responsibility according to the specified policies and goals.

3) Recommend Code of Best Practices or regulations for the Board of Directors and other established committees of the Bank

4) Recommend requirements related to the Bank's Code of Business Conduct

5) Appoint sub-committee to support corporate governance and social responsibility work as deemed appropriate;

6) Promote the dissemination of a culture of good corporate governance and participation in social activities for sustainable development to be understood at all levels and to be effective in practice.

7) Perform other tasks assigned by the Board of Directors.

- The Nomination and Remuneration Committee

List of the Nomination and Remuneration Committee as at December 31, 2021.

1) Mr. Thanwa	Laohasiriwong	Chairman
2) Mr. Teerapong	Wongsiwawilas	Director
3) Mr. Lavaron	Sangsnit	Director
Mr. Suppawat	Wadhanapatee	Secretary
Mr. Boonchird	Pikulyam	Assistant Secretary
Mr. Thanakorn	Karnjananut	Assistant Secretary

Details of Changes of Directorship

1) Ms. Patricia	Mongkhonvanit	Resigned from the position of Director of the Nomination and Remuneration Committee on September 23, 2021.
2) Mr. Lavaron	Sangsnit	Took the position of Director of the Nomination and Remuneration Committee on November 10, 2021.

Scope of Authority and Responsibility of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has scope of duties and responsibilities as assigned by the Board of Directors to take action on various issues as written in the Charter of the Nomination and Remuneration Committee as well as reporting the result of the Committee meeting to the Board of Directors every time. Details are summarized as follows:

- 1) Set policy, criteria and procedure in nominating candidates and fixing remuneration including other benefits for the directors, top executives and authorized person;
- 2) Recommend overall policy concerning the fixing of remuneration and other benefits;
- 3) Select and propose candidates with appropriate qualifications as specified by the Bank's rules, regulations and relevant laws to be presented to the Board of Directors for appointment consideration of the positions as follows:
  - 3.1) Director
  - 3.2) Member of respective committees directly delegated by the Board of Directors
  - 3.3) Top executives and authorized person
- 4) Oversee that the size of the Board of Directors is justifiable and appropriate for the organization and the changing environment. The Board of Directors must comprise of the personnel with knowledge, skill and experience in various areas;
- 5) Oversee that the directors, top executives and authorized persons' remunerations are justifiable with their duties and responsibilities. Remunerations are adjusted in accordance with additional duties and responsibilities of such director;
- 6) Set up guidelines for assessing the performance of directors, top executives and authorized management personnel when revising annual compensations and taking into consideration the duties, responsibilities, related risks and long-term value creation for shareholders;
- 7) Disclose policy and details of recruiting procedures and fixing of remuneration, all types of benefits and conduct the report regarding the process of determining remuneration. Thus, the details relating to the objectives, operational performance, and comment of the Nomination and Remuneration Committee must be disclosed in the Bank's Annual Report;
- 8) Perform other tasks as assigned by the Board of Directors.

- The Risk Oversight Committee

List of the The Risk Oversight Committee as at December 31, 2021.

1) Mr. Krairit	Euchukanonchai	Chairman
2) Mr. Poonnis	Sakuntanaga	Director
3) Mr. Thanwa	Laohasiriwong	Director
4) Dr. Kulaya	Tantitemit	Director
5) Mr. Payong	Sriwanich	Director
Mr. Ekachai	Techawiriyakul	Secretary

Details of Changes of Directorship

1) Mr. Lavaron	Sangsnit	Completed term of office on the position of Director of the Risk Oversight Committee on November 10, 2021.
2) Dr. Kulaya	Tantitemit	Took the position of Director of the Risk Oversight Committee on November 10, 2021.

### Scope of Authority and Responsibility of the Risk Oversight Committee

The Risk Oversight Committee is responsible for advising the Board of Directors on the risk oversight framework of the Bank and the financial conglomerate, ensuring that top executives and the head of the risk management department comply with the risk management policy and strategy, including acceptable risk levels. The Committee also has the duty to ensure that management of capital, liquidity, information technology and the risk factors of the Bank and the financial conglomerate are in line with the acceptable risk levels, and review the adequacy and effectiveness of the policy and overall risk management strategies, including the acceptable level of risk at least once a year or when there are significant changes. The Risk Oversight Committee assesses whether the Bank and its financial business group's risk management policies and strategies cover all types of risks, including the new potential risks. The Bank has implemented such policies and strategies effectively. This is to ensure that the Bank has implemented such policies and strategies effectively.

The Committee also reports to the Board of Directors on a quarterly basis about risk management status, risk management efficiency, risk culture compliance status, as well as significant factors, problems and issues that need to be improved to comply with the risk management policies and strategies of the Bank and the financial conglomerate.

Correspondingly, the Risk Oversight Committee reports to the Board of Directors on the results of risk management actions in extraordinary or emergency situations when the Business Continuity Plan (BCP) has been announced for execution, including reports on the events that have significant impacts on the Bank's operating results and capital. The Committee has taken part in providing opinion or participated in the assessment of the efficiency and effectiveness of the heads of the risk management units. Meanwhile, the Committee shall perform any other duties as assigned.

#### • The Compliance Committee

List of the Compliance Committee as at December 31, 2021.

1) Mr. Teerapong	Wongsiwawilas	Chairman
2) Mr. Thanwa	Laohasiriwong	Director
3) Prof. Dr. Kittipong	Kittayarak	Director
4) Gen. Tienchai	Rubporn	Director
Mr. Pongsit	Chaichatpornasuk	Secretary
Ms. Dujhathai	Somboonnitaya	Assistant Secretary

#### Details of Change

1) Ms. Dujhathai	Somboonnitaya	Took the position of the Assistant Secretary on July 1, 2021 to replace Ms. Vipawadee Lerssrisuriya, who resigned from the Bank on December 16, 2020.
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### Scope of Authority and Responsibility of the Compliance Committee

The Compliance Committee has duties and responsibilities as appointed by the Board of Directors as follows:

- 1) Ensure that the Bank manages risks arising from non-compliance with laws and regulations accordingly by the compliance departments;
- 2) Review the Charter of the Compliance Committee and the Charter of the Compliance Department at least once a year or when there is any significant changes before submitting to the Board of Directors for approval;
- 3) Assess annual performance of the Compliance Department to maintain independence and avoid conflict of interest. Review policy and regularly assess 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. It may be asked to review or monitor transactions that default on compliance and the Bank considered them as being important cause of risk;
- 6) Report to the Board of Directors to acknowledge the results of the regulatory review or the results of monitoring the regulatory compliance, as well as taking action to improve or resolve in case of non-compliance.



- **The Independent Directors Committee**

**List of the Independent Directors Committee** as at December 31, 2021.

1) Gen. Tienchai	Rubporn	Chairman
2) Prof. Dr. Kittipong	Kittayarak	Director
3) Mr. Thanwa	Laohasiriwong	Director
4) Mr. Vichai	Assarasakorn	Director
5) Ms. Nitima	Thepvanangkul	Director
6) Mr. Teerapong	Wongsiwawilas	Director
Ms. Sineenard	Damri-Anant	Assistant Secretary

**Duties and Responsibilities of the Independent Directors Committee**

- 1) Recommend agenda of meeting to the Chairman of the Board of Directors for the issue that is deemed as important or issues that should be considered by the Board and not yet included on the agenda;
- 2) Provide opinions to the Chairman of the Board of Directors regarding to the role and performance of the Board;
- 3) Support the Board of Directors in boosting efficiency in complying with the principles of good corporate governance;
- 4) In case where the Board of Directors consider material agenda items such as related-party items or significant property trading, Independent Directors of over half the total number of Independent Directors should join in the consideration of such material agenda items;
- 5) In case where the Independent Directors may have conflicting opinions or any other observations on agenda items under consideration by the Board of Directors meeting, such opinions or observations should also be recorded in the minutes of the Board of Directors meeting every time;
- 6) Monitor the performance by the Independent Directors who have been designated to take position in various subcommittees especially in the issues of regulatory compliance, international accounting standards and risk management;
- 7) Perform any other tasks as assigned by the Board of Directors.

**Term of Office**

An Independent Director can hold the term of office not to exceed 9 consecutive years. Independent Director who has previously held the position for 9 consecutive years is eligible to be re-appointed, however; such Independent Director must terminate from the appointment as director, manager, management authority, advisor or staff member of the Bank and the Bank's financial conglomerate for at least 2 years before the date of submission for directorship approval to the Bank of Thailand.

### 7.3.3 Sub-Committee of the Management Department

- **Management Committee**

Management Committee has duties to formulate the Bank's policy and strategic plan; supervises operation in accordance with policies established by the Board of Directors and the Board of Executive Directors and / or the President; monitor new product approval result of Product Committee; track and review the operation to be in line with the Bank's policy and strategic plan and approves any matter as stated in the regulations/ the Bank's notifications. The meeting of the Management Committee is organized twice a month or as appropriate.

- **Business Management Committee**

Business Management Committee Has the authority to consider and approve the policies and strategic plans of the Business Cluster 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 supervising the implementation of policies at the Board of Directors, the Board of Executives Directors, and other sub-committees assign in connection with the Business Cluster. The Committee meeting is required to be held at least once a month.

- **Assets and Liabilities Management Committee (ALCO)**

The Committee formulates a framework for managing the Bank's assets, liabilities and capital funds in line with external factors affecting liquidity and profitability by implementing appropriate analysis tools to determine interest rate, and benefit returns from loans and deposits. The Committee also recommends appropriate strategies in investment, which are related with liquidity management of the Bank.

Assets and Liabilities Management Committee comprises the President and the different Group Heads, namely Government and State Enterprise Relations Group, Global Transaction Banking Group, Risk Management Group, Corporate Banking Group 2, Retail Banking Product and Strategy Group, Business Center Group, Global Markets Group and Financial Management Group. The meeting of the ALCO is organized at least once a month to consider the impact on assets and liabilities from market changes and to consider the Bank's funding sources under current and future liquidity, including risk management on interest rate. The Department Head of the Asset and Liability Management Department is responsible for compiling and presenting information as supportive details to the Asset and Liability Management Committee for approval.

- **Group Credit Committee Level 7**

Group Credit Committee (GCC) level 7 is authorized to approve lending limits and debt restructuring as stipulated in the Bank's notification on credit approval and debt restructuring. Additionally, the Committee is authorized to approve acceptance of collateral transfer as specified by the Bank. The meeting of the GCC is organized at least once a week.

- **Management Level GRC Committee**

The management level GRC committee has the authority to consider and give opinions on the improvements to credit processes, approval authority, tools, as well as the improvements in operating regulations related to credit processes. The Committee considers directives on credit-related matters, according to the Bank of Thailand, Office of the Auditor General, or other agencies to order. The Committee considers ordering relevant agencies or persons to report on the progress of the audit and takes action on other findings by all regulatory agencies, including taking significant legal actions based on the findings that have a significant impact on the Bank. In addition, it is required to monitor and supervise the reporting on the performance of departments or related parties under the Three Lines of Defense principle, in order to create an effective End-to-End Process management in line with the Bank's strategy. Moreover, its duty also includes considering the guidelines for risk management from the use of outsourcing services, in case of monetary damages or significant fines arising from non-performance of the contractual terms of the third-party service providers. Inclusively, the standards on the appropriate risk prevention and control must be established. The Committee meeting is required to 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 which are scrutinizing credit approvals and debt restructuring as determined by the Bank, trading of non-performing assets as well as underwriting the selling and/or investment in debt instruments except the debt instruments issued by 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 as well as performing other duties assigned by the Board of Directors, the Board of Executive Directors and the President. The meeting of the Committee is organized at least once a week.

- **IT Steering Committee**

IT Steering Committee has duties to control and supervise the Bank's operation to be in compliance with laws and regulations related to electronic transactions and information, considers and scrutinizes information technology plans of the Bank as well as the operation plans of each project to be accurate and continuous for customers. The Committee also considers and scrutinizes channels of fraud through information systems as well as prevention guidelines of 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 determine the appropriateness of the implementation of projects related to Digital Banking, in order to be in line with the Bank's digitalization strategy. The Committee considers improving the existing products to digital formats and providing advice and operational guidelines to the project team while monitoring project progress. Additionally, the decision-making on important issues is required in order to achieve the project objectives and be in accordance with the changing circumstances, whereas the products must meet the needs of the customers and the risks stay at the acceptable level. The committee also has the authority to determine the suitability, formulate a policy framework for projects to participate in testing in the Bank's Own Sandbox, and to monitor relevant testing prior to the actual providing broad services. Also, the Committee considers the appropriateness of the preparation of research and development projects, along with approving or giving preliminary approval of the project. The Committee meeting is required to be held at least once a month.

## 7.4 Top Executive Officers

### 7.4.1 Names and Positions of Top Executive Officers

Name-Surname		Position	Group
1. Mr. Payong	Srivanich	President	
2. Ms. Praralee	Ratanaprasartporn	Senior Executive Vice President Group Head	Digital Solutions Group
3. Mr. Werapong	Suppasedsak	Senior Executive Vice President Group Head	Business Center Group
4. Mr. Suratun	Kongton	Senior Executive Vice President Group Head	Corporate Banking Group 2 Acting Group Head of Corporate Banking Group 1
5. Mr. Rawin	Boonyanusasna	Senior Executive Vice President Group Head	Global Markets Group
6. Mr. Ekachai	Techawiriyakul	Senior Executive Vice President Group Head	Risk Management Group
7. Ms. Saranya	Vejakul	Senior Executive Vice President Group Head	Financial Management Group
8. Mr. Santi	Parivisutt	Senior Executive Vice President Group Head	Operation Group
9. Mr. Suppawat	Wadhanapatee	Senior Executive Vice President Group Head	Human Resources and Corporate Governance Group
10. Mr. Tawatchai	Cheevanon	Senior Executive Vice President Group Head	Global Transaction Banking Group
11. Mr. Pongsit	Chaichatpornasuk	Senior Executive Vice President Group Head	Compliance and Legal Management Group
12. Mr. Kittipat	Peantham	First Executive Vice President Group Head	Government and State Enterprise Relations Group
13. Mr. Pichit	Jongsaliswang	First Executive Vice President Group Head	Retail Banking Product and Strategy Group
14. Mr. Chanchai	Sinsuparatn	First Executive Vice President Group Head	Retail Shared Services Group
15. Mr. Panabhand	Hankijjakul	First Executive Vice President Group Head	Internal Audit Group
16. Mr. Chalerm	Pradidarecheep	First Executive Vice President Group Head	Retail Banking Sales and Distribution Group
17. Ms. Suwanna	Anantanond	First Executive Vice President Group Head	Credit Restructuring and Asset Management Group
18. Mr. Krit	Chamapisit	First Executive Vice President Group Head	Communication and Branding Group
19. Mr. Rungruang	Sukkirakijpiboon	Advisor to the President	Krungthai Bank

Top Executive Officers who retired on September 30, 2021.

1. Mr. Pativate	Santavanond	First Executive Vice President	Krungthai Bank
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Details of changes of the Top Executive Officers in 2021

1) Mr. Poonpat	Sripleng	Senior Executive Vice President Group Head, Risk Management Group resigned from the Bank on May 15, 2021
2) Mr. Ekachai	Techawiriyakul	Rotated from Senior Vice President Group Head Corporate Bank-ing Group 1 to Senior Vice President Group Head Risk Management Group, replacing Mr. Poonpat Sripleng who resigned on May 15, 2021.
3) Mr. Suratun	Kongton	Took the position of Senior Vice President Group Head Corporate Banking Group 2, Acting Group Head Corporate Banking Group 1 replacing Mr. Ekachai Techawiriyakul who rotated to Senior Vice President Group Head Risk Management Group on May 15, 2021.
4) Mr. Rungruang	Sukkirdkijpi boon	Took the position of the Advisor to the President on July 9, 2021.
5) Dr. Polawat	Witoolkollachit	Senior Executive Vice President Group Head, Technology Group resigned from the Bank on November 16, 2021.

Details of changes of the Top Executive Officers after December 31, 2021.

1) Mr. Pichit	Jongsaliswang	First Executive Vice President Group Head, Retail Banking Product and Strategy Group, resigned from the Bank on January 1, 2022.
2) Mr. Rungruang	Sukkirdkijpi boon	Took the position of the Advisor to the President, acting the Group Head, Retail Banking Product and Strategy Group to replace Mr. Pichit Jongsaliswang, who resigned from the Bank on January 1, 2022.



#### 7.4.2 Remuneration Policy for Top Executive Officers

The Nomination and Remuneration Committee considers according to a transparent and fair process and presents the appropriate remuneration for top executive officers and the President to the Board of Director for approval. Remuneration for top executives and the President shall be associated with the Bank's performance both short and long term when comparing against the performance of other companies that are at the same level in all dimensions. Hence, the remuneration shall also be in line with the performance of each executive with the key performance indicators and the scope of responsibility set in the balanced scorecard. This reflects the risks involved in the Performance Driven Organization (PDO) policy, which focuses on performance-driven organizations and leading to long-term sustainable success.

The remuneration for executives consists of monetary remuneration and other remunerations, namely the provident fund contributions from the Bank, other benefits and welfare according to the Bank's regulations the same as of the employees. This is an attempt to promote good quality of life and build up motivation in work, whereas it is considered as the competitive level of compensation compared to leading financial institutions in Thailand. However, the remuneration for top executives shall be appropriately adjusted continuously.

#### 7.4.3 Remuneration for Top Executive Officers

According to the definition by SEC, there are a total of 25 Top Executives, comprising the President, First Senior Executive Vice President, Senior Executive Vice Presidents and First Executive Vice Presidents. Their remuneration totaled 327,748,412 Baht. The Bank's Top Executives are divided into two groups. The first group consists of 20 executives who the Bank contributes to their provident funds in the amount of 276,288,400 Baht. The other group consists of 5 executives who the Bank does not contribute to their provident funds. The total remuneration of this latter group was 51,460,012 Baht. (The remuneration included the special remuneration payment 2020 for 3 top executives who retired in 2020 and received the special remuneration in 2021)

Remuneration of 79 Sector Heads (classified as the Management Authority according to the definition by BOT) totaled 463,557,243 Baht. They are divided into two groups. The first group consists of 71 executives who 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 446,697,401 Baht. The other group consists of 8 executives who 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 16,859,842 Baht. (The remuneration included the special remuneration payment 2020 for 5 top executives who retired in 2020 and received the special remuneration in 2021).



## 7.5 Information about Employees

As of December 31, 2021	Number of Employees
Executives	86
Group of Business Related Divisions	12,728
Group of Support Business Divisions	6,123
<b>Total number of employees</b>	<b>18,937</b>

- **Compensations for Employees**

The compensations given to the employees (including Top Executives) in 2021 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 Baht 21,851 million. As of December 31, 2021, the Bank has a total of 18,369 members in the provident fund.

- **Employee Training and Development**

The Bank considers various factors to formulate a comprehensive human resource development plan in all dimensions necessary for business operations. This is to strengthen employees' working skills to cope with the fierce competition in business. The Bank also provides opportunities to employees to learn new knowledge through the upskill - reskill training. With the purpose to enhance employee's skills and enable them to operate efficiently and sustainably, the Bank in 2021 has provided training courses and approaches that emphasized in 4 aspects as follows:

### 1. Strengthen Foundation

The Bank develops the potential and skills of employees at all levels to be able to perform their duties efficiently, while raising the level of the Bank to be a learning organization with morality. With the purpose of supporting the cultivation of a zero-tolerance culture, the Bank has taken action to determine the desirable characteristics, which are I-BEST. At the same time, the Bank also boosted up recognition on moral and ethical practices to employees through the training courses such as "Lesson Learn for Sustainable Krungthai" course - online learning course for all levels of employees, "Market Conduct" course - through the 3T Plus Market Conduct project to provide employees with product knowledge and understand the market conduct guidelines. The Market Conduct training courses enable the employees to perform sales work for customers fairly according to the basic rights of financial service users, as well as upgrading the services to the same standard in all branches. Inclusively, the Design Thinking course aims to develop a design thinking process in solving real problems, improve work processes to enhance corporate culture of good corporate governance and Zero Tolerance. It also creates an opportunity to develop financial innovations that generate income, and credibility for the Bank. Moreover, the Bank also focuses on developing employees' knowledge and basic skills necessary for working to support the changes that occur.

### 2. Leadership

The Bank develops Coaching & Monitoring Skills for executives to create inspiration and foster a coaching culture, which is a key factor in enhancing employee engagement and performance, through internal and external training for executives of the Bank specifically. The Bank determines to develop skills for executives to have a mindset ready for change, by implementing the Design Thinking, OKRs, and Agile tools. As a result, they are able to manage the team, develop the ability and drive the potential of employees continuously in order to achieve the specified goals. In addition to training, a Leader Guidebook for executives has been prepared for executives, so that they can study and use it as a guideline for effective and efficient team management.

### 3. Upskill - Reskill

The Bank has developed the knowledge and skills of its employees, to prepare them for the new roles in line with the changing organizational structure, with a focus on developing skills in the context of the Bank's progress towards becoming a Digital Banking. With the purpose to effectively respond to changes in technology and customer behaviors in the digital era, the Bank has defined the skills necessary for human resources development in 5 areas, comprising (1) Future Banking, (2) Retail, (3) Credit & Core Business, (4) Cyber Security & Privacy and (5) Data-Driven Organization.

#### 4. Digital Banking

The Bank develops employee skills in both Digital Mindset & Digital Literacy Skill and Digital Skill, including creating new innovations in order to satisfy the needs of customers in the digital age. The highlight is the “Krungthai Hackathon” project, presented in the form of a Virtual Event, where new ideas from 37 teams were presented and mentors from leading organizations across the country were judging. This leads to the creation of a culture that supports innovation to occur in the organization, along with the development of teamwork skills under a limited amount of time.

In terms of digital knowledge, the Bank intends to develop employee skills in using tools that support more digital work. In addition, knowledge-sharing media has been prepared for employees in order to enable them to work properly related to the Digital Banking strategy. Contents are knowledge related to Strategy & Digital and Future Banking, publicized through KM Content channel and Digital Knowledge Sharing. The Bank has contributed to raise awareness of Cyber Security, which will help to ensure the security of the operation/use of technology, as well as to prevent risks that may arise from the collection, archive, use, and disclosure of information. The example of training courses are namely the cyber threats that come in the form of phishing emails, etc.

Besides the abovementioned matters, the Bank offers regular opportunities for undergraduate and vocational students/trainees to undertake internships at the Bank. Prior to the COVID-19 pandemic, the Bank was accepting approximately 70 to 140 students/trainees per year from universities and vocational colleges across the country, applying for internships at the Bank's headquarters or branches. The Bank also collaborates with public and private educational institutions, particularly universities, in initiating projects related to human resource development, in order to build partnerships and seek talents to work with the Bank in the future. As the Bank currently aims to strengthen the competitiveness in the digital banking business and to support the Bank's role as a pillar of the national economy, there are two cooperation projects primarily related to digital technology and innovation as follows:

##### 1. Krungthai - CITU Digital Co-Creation Initiative

The Bank has partnered with College of Innovation, Thammasat University (CITU) as innovation partners to support academic knowledge and job training. In this project, the undergraduates shall have the opportunity to work and participate in projects related to digital transformation and business innovation. There are 40 students participating in the program for 70 days of internships in 3 business units: Data Innovation, IT Innovation and Global Transaction Banking Group. The Bank provides mentors and advisors to guide and assist students throughout the project.

##### 2. Krungthai Innovation and Digital Talent Resources

The Bank started Krungthai Innovation and Digital Talent Resources project to develop a network of IT personnel between Krungthai and Student Edge from nearly 20 leading universities nationwide, such as Chulalongkorn University, Mahidol University, King Mongkut's University of Technology Thonburi, Chiang Mai University, Khon Kaen University, Prince of Songkla University, etc. Approximately 100 eligible participants are junior (3rd year) and senior (4th year) undergraduate students, pursuing their studies in engineering, technology, IT, innovative technology, digital technology, business analytics and data science and other related fields. It is divided into 3 sub-projects as follows:

1) **Successful Universities Partnerships:** Establishing partnerships with leading universities in Bangkok and the region, where the Bank and universities will organize knowledge exchange and develop courses on technology and innovation.

2) **Project Based Internship:** Selecting potential students to join internships with Krungthai Bank and its affiliates in terms of project-based internships, especially in Agile & Scrum, Product Discovery and Design Thinking, UI/UX, DevSecOps, Blockchain, etc.

3) **Krungthai Innovation Scholarship:** The Bank offers scholarships to qualified and potential students. To ensure safety and health of all employees, the Bank provided several training courses related to physical health, occupational health and work environment accordingly. For instance, the Bank organized the “Occupational Safety, Health and Environment Committee” course and the “Safety Officer for Supervisor Level and Management Level” course. The Bank supports a culture of using digital tools for training, therefore the Bank works in collaboration with various providers, both internal and external, to enable the employees to take training courses anywhere and anytime. The Bank introduces learning channels from leading educational institutions for employees to study by connecting from ONE Krungthai application to various learning platforms of leading universities, such as Mahidol University (Mahidol Mux), Chulalongkorn University (Chula MOOC), Prince of Songkla University (PSU MOOC) and Chiang Mai University (CMU MOOC), and other information tools. As a result, the Bank is able to develop the potential of its employees to support future growth, and to build competitiveness effectively. During the year 2021, the Bank has a total of 1,016 training courses, 1,339 classes, with a total of 19,939 trained employees and the duration of training is 105.46 hours/person/year.

- **Succession Plan**

The Bank has a systematic, clear succession plan process that covers various levels of management, through manpower analysis, required qualifications, and a Career Path Roadmap to recruit potential candidates. The Bank believes that employees are important resources in business operations and that the organization's growth depends on quality employees, therefore the executives and potential employees, namely scholarship students and KTB High Potential employees, are prepared and developed to become the upcoming-successful executives. Hence, to prevent shortages of high potential personnel, the Bank has developed individual development plans and Career Path Roadmaps to enable continuous and efficient succession plan. Especially in the position of the President and executives from the Executive Vice President level and above, the Board of Directors has assigned the Nomination and Remuneration Committee, responsible for continuity and consideration of the appropriate management plan, to ensure that the Bank has prepared appropriate personnel to replace Critical Position before it becomes vacant. In this regard, it also takes into account equal opportunities to work for sustainable growth alongside the organization, and to encourage executives and employees to have the opportunity to rotate their jobs to work in other fields, in accordance with the principles of Mobility and Diversity to increase experience and learn new tasks. The objective is that they have the opportunity to continually develop themselves, which is beneficial to the Bank's business operations and the effective management.

## 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 Vejagul                      Senior Executive Vice President Group Head Financial Management Group

- **Head of Accounting**

Mr. Kanok Suwanaratana              First Vice President Department Head, Accounting Department

- **The Corporate Secretary**

The Board of Directors has appointed the Corporate Secretary since 2008 respectively. At present, Mr. Pongsit Chaichatpornasuk, Senior Executive Vice President Group Head, Compliance and Legal Management Group, was appointed to be Corporate Secretary, effective from March 10, 2021 onwards, 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              First Executive Vice President Group Head Internal Audit Group

- **Head of Corporate Governance (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 Internal Audit, Head of Corporate Governance (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 2021 in the amount of 28,260,000 Baht.

- **Non-audit fee**

In the fiscal year 2021, the Bank and its subsidiaries paid compensation for other services, comprising the review of the report on the calculation of the added value from the appraisal of land, the employment of consultants for the Financial Control Framework project in the case of foreclosed properties (real estate), hiring tax consultants (Tax Call), and hiring consultants to review the annual corporate income tax. The total amount of the non-audit fee services paid during the fiscal year is 4,320,000 Baht, and the future payables amount is 3,950,000 Baht.

## Part 2 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 2021, the Board of Directors has considered Principles of Corporate Governance Compliance according to the business context of the Bank, that has been considered by the Corporate Governance and Social Responsibility Committee with responsibility and prudence. The Board of Directors approved to maintain the appropriate policy of the CG Code Compliance and execute operation according to the business context of the Bank in order to create sustainable business value. The Board of Directors has reviewed the business operation of the Bank in compliance with the CG Code in each principle in order to ensure the appropriate outcome. The summary is as follows:

- The Board of Directors oversaw the company and strengthened good governance, in order to become a financial institution for development to create opportunities for people to access funding sources thoroughly, along with providing financial literacy to support the strength of the foundation economy. As a result, it leads to the development of the competitiveness of the country and reduces inequality in society, under the organization management that is stable, transparent and sustainable through applying technology and innovation to manage and provide financial services. The Bank established key objectives and goals of sustainable value creation. The Board should strengthen financial stability, provide shareholders with appropriate returns and top-ranking product and service management. The Board of Director approved the determination of the Bank's mission as follows:

Vision : Growing Together for Sustainability

Mission : To empower better life for all Thais

- Under corporate governance on organization management, the Board of Directors formulates strategies for short-term and long-term business operations in compliance with the company's mission, monitors the Management to implement the strategic plans continuously and concretely. Additionally, the Board also supports the necessary resources to make them achieve the goals while ensuring the communication and information disclosure to be appropriated, as well as performing duties with the awareness of protecting shareholders' benefit honestly. The Management must make a report to the board within the proper period for evaluation and annually review vision, mission, core value and the Bank's strategies, including informing employees of the Bank's vision, mission and directions in order to have correct understanding and operations in the same directions 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 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, 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 understanding and intention to comply with applicable law. All supervisors at all levels shall have duties on monitoring to ensure that all employees are aware of, understand and intend to adhere to the code of conduct as a part of employees' discipline.

Nevertheless, the current code of conduct, reviewing and approving by the Bank's Board of Directors, is divided into 9 categories, covering 3 key principles, namely integrity, fairness and responsibility to stakeholders which the Bank always adheres to as follows:

### (1) Code of Business Conduct

Consists of practices on personal integrity, compliance with applicable law, ethical business principle, anti-corruption, anti-bribery, donation, giving back to community and corporate social responsibility, environmental care, respect for human rights, respect for intellectual property rights and government procurement.

### (2) Role of Directors and Executives

Consists of principles of administrative role, supervisory role and transactions with the Bank.

### (3) Service Standard

Consists of principles of standard of terms and conditions of service, requirements of service standard and debt collection standard.

### (4) Personnel and Establishment

Consists of principles of workplace diversity, employment equity, dignity at work, safety workplace and fair treatment

### (5) Responsibility to Customer

Consists of principles of taking care of maximum benefits for customers, handling procedure of customer complaints and advertising and marketing activities.

### (6) Conflict of Interest

Consists of principles of internal data usage and data blocking, personal investment activities, conflict avoidance and accepting and providing incentives.

### (7) Data Management

Consists of principles of confidential data management and responsible communication.

### (8) Overall Governance

Consists of principles of compliance culture and internal whistleblowing procedure.

### (9) Trade Monopoly and Dispute Resolution



Consists of principles of trade monopoly and internal and external dispute resolution.

- The Board of Directors considered, annually reviewed 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 them with prudence from 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 the implementation to achieve the organization's goals. In the meantime, the Bank organizes a brainstorming meeting between the Bank's Board of Directors, the 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 takes 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 seminar between the Bank's Board of Directors and executives (Business Strategy Seminar). The purpose is that executives, namely the branch managers, business unit managers, department heads and above can acknowledge the policy and management direction in

an attempt to set proactive guidelines for operations.

- The Board of Directors operated a policy to have 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 in determining guidelines of holding director positions in other companies in accordance with the regulations prescribed by the notifications of the Bank of Thailand and principle of good corporate governance. Details are namely; members of the Board of Directors are required to hold a position as a president, executive director or authorized director in no more than 3 business conglomerates; and to serve as directors in no more than 5 domestic and overseas listed companies.

- The Board of Directors supervises to have a framework and mechanism for overseeing the adequacy of policies and operations of the subsidiary and associated company for each business investment.



- The Board of Directors has appointed a Corporate Secretary to carry out the actions required by law, including to ensure the smooth operation of the Board of Directors and the access to necessary information. At present, Mr. Pongsit Chaichutpornasuk, Senior Executive Vice President Group Head, Compliance and Legal Management Group 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 President. The Charter of the Independent Director Committee specifies the Committee to hold the meeting at least twice a year. In 2021, there were 3 meetings of the Board of directors without the presence of the management and 4 meetings of the Independent Director Committee.

- Policy Determination and Management Supervision

The Board of Directors perform its duties with consciousness to protect the interests of shareholders with honesty and prudence especially in approving the vision, mission, strategy, and approval of important issues related to the direction and policy of the Bank including a business plan and annual budget by using principle of rationality and analyzing 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 of the next year in the last quarter in order to pass 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 an integrated management (GRC: Governance Risk & Compliance) and corporate governance compliance. The management process and operations must be connected together and it is required to have responsible person for each step clearly, from the level of strategic planning / strategic plan / business plan of the Bank, product launch policies determination, tools development, 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 management of the management to be transparent and in accordance with the Code of Conduct as well as supervising internal control and risk management in order to ensure the appropriateness.

- The Board of Directors assigned the Nomination and Remuneration Committee to ensure that the President 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 President 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 with 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 through competency gap analysis 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 as below:

- The Board of Directors has a policy to encourage the President 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 Krungthai Academy Department to be responsible for 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 enhancement of working skills and new knowledge as well as upskilling and reskilling of employees in order that the high level of executives and employees can operate their jobs efficiently and effectively in a sustainable manner.

- Director Positions in Other Companies

- 1) **President:**

The President can take the Director position in other companies, which shall not interfere with the exercise of performance/duties as the President of the Bank, and 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 not more than 5 companies (including the Bank but excluding the companies acquired through debt restructuring). The Office of the President must submit for further approval from the Board of Directors. The information of director position 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 short and long term and assessed performance with a Balanced Scorecard. Currently, the Bank manages its human resources using performance driven organization model and develops a performance management system, which 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 defined the process, method and procedure for performance assessment of the President clearly .

- 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 ability, including appropriate motivation as well as being treated fairly. 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 in driving the country's economy, along with 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 to operate business with awareness of the environment, social and governance (ESG) principle. The Board of directors places importance on fostering organizational culture that promotes innovation and supervises 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 the changing environment conditions, including collaborating with partners to design and develop of Bank products and services.

- The Board of Directors encourages the Bank to execute Responsible Lending, which is an approach in operating banking business for tangible and efficient sustainable banking by creating a corporate culture that focuses on long-term growth rather than short-term returns. This approach has taken into consideration the risk in various aspects, including environment, social and governance (ESG) features. Primarily, the Bank shall consider matters of ESG risk management for lending. For example, the Bank shall determine Responsible Lending Strategy and establish guidelines for managing credit portfolios that contain risk of ESG. The Bank shall analyze both positive and negative impacts or the impact on the stakeholders arising from lending or the customers of the Bank, and consider all aspects covering ESG issues beyond those required by law because the impact on some matters has not been defined by law in order to support the concrete ESG implementations.

- The Board of Directors has emphasized the importance of overseeing the organization 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 that treatment of various groups of stakeholders is in the same way and employees and normal persons know the channels to express opinions and

engage in the Bank's operations, the Bank has issued a guideline for role 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 to society. The Bank acts as a financial institution that is alongside Thai people by providing financial services to people at all levels, helping customers and Thai people in every crisis, along with encouraging strong growth of the Thai economy. Previously, the examples of the services include the Student Loan Fund, EDC machines installation to Pracharat Blue Flag Shops nationwide, "Chim Shop Chai" (Taste-Shop-Spend) campaign, Half-Half co-payment scheme, We Travel Together campaign, etc.

- 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 determined and reviewed the policies/guidelines and short-term/long-term business plan by establishing a strategic plan for corporate governance between 2017-2021. The Board of Directors, executives and employees are aware of the importance of driving all forms of anti-corruption under the "Krungthai Moral Initiative" (Sustainable Krungthai) project by using the Inside-out Blasting approach. The Bank also adheres to a market conduct principle in operation. Moreover, the Bank developed a protection mechanism covering conflicts of interest. The Bank also elevated the creation of Zero Tolerance culture by using strategies to raise awareness among employees to have morals and to comply with regulations. The Board had established guidelines for the prevention of bribery and also continued the No Gift Policy for the 5th consecutive years in 2021. The Chairman of the Board of Directors and the President are the leader in announcing the will to join the NO Gift Policy campaign. Krungthai "NO Gift Policy" continues its intention to become the "Morality Organization" by asking for the cooperation to refrain from giving gifts to executives and employees in order to create a corporate culture of zero tolerance. This campaign also aimed to cultivate the employees' awareness of working with integrity and transparency, as well as being ready to join in driving the Bank to become a role model organization. Along with thanking and embracing all kindness towards each other, the Bank would like to adhere to the intention "No Gift Policy" in all festivals so as to promote good governance and transparent operation, and oppose corruption while integrating cooperation in the reform of 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 anti-corruption policy and requires a guideline to prevent actions against laws and government regulations. In 2018, 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 whereby interested persons can download.

- The Board of Directors sets a whistleblowing policy and gives opportunity to stakeholders to report any wrongdoing through various channels. Any wrongdoing including corruption, illegal, violating regulation of the Bank's or regulators made by directors, executives, staff, employees or subsidiaries' staff can be directly reported to the Chairman of the Board of Directors through email: [whistletruth@krungthai.com](mailto:whistletruth@krungthai.com). Anyhow, the name of the whistle blower 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 correspondingly. Moreover, the Bank has issued guidelines for information disclosure and transparency and announced the implementation as a practice and standard for employees at all levels in all departments in both central and regional sectors. The guideline is published on the Bank's website whereby interested persons can download.

- 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.

- The Board of Directors has a policy for the Bank to prepare the Management's explanation and analysis of financial status, operation results, crucial changes, including factors affecting the Bank's financial status and operation results, and publicize the explanation and analysis in Thai and English version 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 sustainable development report, in which all the stakeholders have been acknowledged since 2006. At present, the Bank conducts a Sustainability Report by executing the standards of Global Reporting Initiative as a framework for information disclosure of the Bank's operations at core level, covering sustainability in operations. The Bank has published it on the Bank's website whereby interested persons can download.

- The Bank assigns the Finance Strategy, acting 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 a policy that the Bank shall disclose information as required by law and others as deemed appropriate with transparency on the basis of accuracy, equality and timeliness. The Bank has prepared a guideline for information disclosure and transparency, announced and publicized on the Bank's website whereby interested persons can download.

- 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, One Report (Form 56-1) 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 Directors

The Board of Directors nominated the Independent Directors with prudence and transparency. After all this time, the Bank completely complies with the process of nomination and appointment of Independent Directors. On December 31, 2021, the Bank had 6 Independent Directors from the total number of 12 directors. It is calculated as 50 percent of the Board of Directors. All Independent Directors are qualified, knowledgeable people, capable and experienced which are beneficial to the business of the Bank. All Independent Directors perform their duties with responsibilities, cautiousness, 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 Department and major shareholders of the Bank. Independent Directors supervise appropriate benefits integration of stakeholders within the business operations of the Bank as well as making sure that there is no Independent Director holding the position in the Bank's parent company, subsidiary and subsidiary in the equal level.

#### • 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 bank that might have an impact on his/her independent decision-making and must have additional qualifications which are considered to be 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 no 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. Further, 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. Further, 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 having been free from the aforementioned nature for not less than two years.

Such business relationship is inclusive of a trading transaction occurring on a conventional basis or 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, a use of an asset as collateral against debt; and, other similar actions which result in the Bank or the party to the contract having a debt to be repaid to another party for the 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 obligation shall include any obligations occurred 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 above. Details are as follows:

As at December 31, 2021, there were 4 Independent Directors namely:

1. Mr. Vichai Assarasakorn took the position of Director in Panel Plus co., Ltd., Director in the Panel Plus MDF Company Limited, the Chairman, the Independent Director and the Chairman of the Audit Committee in Asian Alliance International Co., Ltd. During the past 2 years, Mr. Vichai used to be in the position of Independent Director and the Director in the Audit Committee in Asian Sea Corporation PCL.

2. Professor Dr. Kittipong Kittayarak took the position of Independent Director in Dusit Thani PLC, and Independent Director in C.P. ALL PCL. During the past 2 years, Mr. Kittipong used to be in the position of Independent Director and Chairman of the Audit Committee in PTT PLC.

3. Mr. Thanwa Laohasiriwong took the position of Independent Director and Chairman of the Audit Committee in TPBI PLC.

4. Mr. Teerapong Wongsiwawilas, during the past 2 years, used to be in the position of Independent Director and Audit Director in Bangchak Corporation PCL.

The abovementioned 10 juristic persons are having business relationships with the Bank. The Bank grants credit lines and contingent liabilities in excess of twenty million Baht, which is referred to as the normal business transactions in banking operations in general commercial conditions. Besides, such relationship does not obstruct the use of discretion or affect the performance of duty and the independent opinion as well as being in compliance with the relevant regulations.

## (2) Nomination of the Directors and the President

### • Directors Nomination

1. The Nomination and Remuneration Committee considered candidates from various sources, including the director's pool, who were qualified according to the relevant laws and regulations, the Bank's regulations, Good Corporate Governance Principles and the Charter of the Board of Directors. By taking into account the proportions and components that are suitable for the Bank according to the changing environment, the Bank also considered the policy in terms of the Directors diversity. In detail, the Board of Directors must possess diversified qualifications, consist of knowledge, skill matrix and experience in line with the Bank's missions and strategies, both at the present and in the future. Inclusively, the recruitment also concerns the sustainable development of the Bank, which complies with legal requirements, Bank's regulations and good corporate governance principles.

In the case of recruiting persons to replace the directors who expired from term of office. The Nomination and Remuneration Committee shall consider candidates (if any) by allowing minority shareholders to nominate persons for



consideration and appointment as directors in advance for the Annual General Meeting of shareholders or considering the past performance for re-election to hold directorship positions.

In 2021, Ms. Patricia Mongkolvanich resigned from the position of Bank Director, effective from September 23, 2021. The Nomination and Remuneration Committee has recruited people from a variety of sources, including the director's pool in order to acquire people with expertise according to the specified skill matrix and experience in line with the Bank's missions and strategies, both at the present and in the future, including the sustainable development of the Bank, which complies with legal requirements, Bank's regulations and good corporate governance principles. The Committee has considered in accordance with the specified criteria, methods and processes. In this regard, the Board of Directors has appointed Dr. Kulaya Tantitemit to be a member of the Board of Directors, to replace Ms. Patricia Mongkolvanich who resigned, effective from November 9, 2021 onwards.

#### Policy of Director Nomination

The Nomination Committee shall consider the qualifications of the Bank's Directors as follows:

- Must possess director qualifications as specified in the Public Limited Companies Act, Financial Institutions Businesses Act, Standard Qualifications of Directors and State Enterprise Employees Act, Securities and Exchange Act, Royal Decree Regulating on Electronic Payment Services, laws and regulations of the regulatory agencies related to the business operation and regulations of the Bank as well as no unreliable characteristic according to the notification of the Securities and Exchange Commission, Thailand.
- Have knowledge and expertise according to the skill matrix specified by the Bank, and in compliance with missions and strategies of the Bank. Hence, the Board of Directors shall comprise of persons with different qualifications such as skills, experiences and useful specific abilities as well as comprising of at least one person with knowledge or experience related to commercial banking business, at least one person with knowledge or experience related to accounting and at least one person with knowledge or experience related to information technology.
- Able to perform duties and independently express their opinions as well as dedicating time for duties sufficiently.
- Holding positions in other companies
  - Holding director position in state enterprises including Krungthai Bank Public Company Limited, not more than three state enterprises.
  - Holding director position in listed companies both domestic and abroad, not more than 5 companies (including Krungthai Bank Public Company Limited but excluding companies from debt restructuring).

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:

- One shareholder has votes equal to one share per one vote.

- 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.

- Each shareholder has a vote equal to 1 share per 1 vote, unless the shares held by such shareholders are preferred shares in which the condition of the preferred shares has less voting rights than the ordinary shares.

- 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) appoint 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 President

The Bank has a transparent process of nomination and selection without discrimination. Application announcements will be made for giving an opportunity to persons with knowledge, skills, vision and experiences in managing large organizations, having leadership to apply for the President. The Bank shall appoint the specific Committee for nominating and selecting the person with knowledge, skills and suitable experiences for the position, then determining the appropriate remuneration before submitting the name of such person to the Board of

Director for consideration and appointment of the President respectively.

- **Nomination of the Group Head**

The Board of Directors has assigned the Nomination and Remuneration Committee duties to recruit, select or screen nominated persons to consider and appoint to the position of a top executive and a person with power of management. The Bank holds a transparent process of nomination and selection without discrimination. The President, Human Resources and Corporate Governance Group and relevant Groups consider and recruit internal persons who have knowledge, skills and experiences regarding the work in the responsibility of that Group from the Successor Pool. Such persons shall receive the opportunity of job rotation for learning new tasks, building potential as well as continual self-improvement, which is beneficial to the Bank's business operations and effective management. If no one is considered suitable for the job, outsiders with knowledge, expertise, skills, experience, leadership as well as vision and good attitude toward the organization will be recruited and proposed to the Nomination and Remuneration Committee and the Board of Directors for approval before submitting for approval to the Bank of Thailand respectively.

#### **Enhancing the Board of Directors Effectiveness**

The Board of Directors oversees that each member of the Board of Directors has knowledge and understanding about the roles, duties, nature of business and laws related to the Bank's business operations. There shall be an orientation for new members of the Board of Directors in order that a new member acknowledges information about the Bank such as business plans, products and services, shareholder and capital structure, organization structure and legal issues that he/she should know for performing duties of a member of the Board of Directors as the Board of Directors for the listed company.

##### **Directors Orientation**

The President 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
  - KTB'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 payment policy
- Important documents of the Bank, such as certificates by the Ministry of Commerce, the memorandum of association of the Bank, regulations of the Bank, etc.

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 future competitors.

#### **Corporate governance enhancement plan 2021 of the Board of Directors**

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 training and seminar during the year 2021**

In 2021, a total of 12 Directors attended training courses and seminars, or 100% of the total number of Directors. There are a total of 4 training courses and seminar, details as follows:

## (1) Training

12 Directors attended the training, totaling 3 courses.

Course	Performance according to the annual plan 2021																								
1. Refreshment Training Program (RFP) by the Thai Institute Of Directors (IOD)	Director waiting to attend the training Gen. Tienchai Rubporn																								
2. Board Nomination and Compensation Program (BNCP) by the Thai Institute Of Directors (IOD)	Director attended the training Mr. Thanwa Laohasiriwong																								
3. Security Awareness 2021 by Krungthai Bank PCL.	12 Directors attended the training <table> <tr> <td>Mr. Krisada</td><td>Chinavicharana</td></tr> <tr> <td>Mr. Krairit</td><td>Euchukanonchai</td></tr> <tr> <td>Mr. Vichai</td><td>Assarasakorn</td></tr> <tr> <td>Prof. Dr. Kittipong</td><td>Kittayarak</td></tr> <tr> <td>Mr. Thanwa</td><td>Laohasiriwong</td></tr> <tr> <td>Mr. Teerapong</td><td>Wongsiwawilas</td></tr> <tr> <td>Gen. Tienchai</td><td>Rubporn</td></tr> <tr> <td>Mr. Poonnis</td><td>Sakuntanaga</td></tr> <tr> <td>Ms. Nitima</td><td>Thepvanangkul</td></tr> <tr> <td>Mr. Lavaron</td><td>Sangsnit</td></tr> <tr> <td>Dr. Kulaya</td><td>Tantitemit</td></tr> <tr> <td>and Mr. Payong</td><td>Srivanich</td></tr> </table>	Mr. Krisada	Chinavicharana	Mr. Krairit	Euchukanonchai	Mr. Vichai	Assarasakorn	Prof. Dr. Kittipong	Kittayarak	Mr. Thanwa	Laohasiriwong	Mr. Teerapong	Wongsiwawilas	Gen. Tienchai	Rubporn	Mr. Poonnis	Sakuntanaga	Ms. Nitima	Thepvanangkul	Mr. Lavaron	Sangsnit	Dr. Kulaya	Tantitemit	and Mr. Payong	Srivanich
Mr. Krisada	Chinavicharana																								
Mr. Krairit	Euchukanonchai																								
Mr. Vichai	Assarasakorn																								
Prof. Dr. Kittipong	Kittayarak																								
Mr. Thanwa	Laohasiriwong																								
Mr. Teerapong	Wongsiwawilas																								
Gen. Tienchai	Rubporn																								
Mr. Poonnis	Sakuntanaga																								
Ms. Nitima	Thepvanangkul																								
Mr. Lavaron	Sangsnit																								
Dr. Kulaya	Tantitemit																								
and Mr. Payong	Srivanich																								

## (2) Seminar

3 Directors attended the seminar, totalling 1 seminar.

Course	Performance according to the annual plan 2021
1. Cyber Resilience Workshop by the Bank of Thailand together with the Office of the Securities and Exchange Commission (SEC) and the Office of Insurance Commission (OIC).	3 Directors attended the seminar Gen. Tienchai Rubporn Mr. Vichai Assarasakorn Mr. Thanwa Laohasiriwong

Summary of the training courses that all Directors attended are as follows:

Name of the Board of Directors		Training Program and Class
1. Mr. Krisada	Chinavicharana	<ol style="list-style-type: none"> <li>1. Class 54, National Defence Course, National Defence College</li> <li>2. Class 186/2014, Director Certification Program (DCP), Thai Institute Of Directors</li> <li>3. Project of Senior Executives Improvement, Office of the Civil Service Commission, 2010</li> <li>4. Financial Instrument and Market, Harvard Business School</li> <li>5. Security Awareness 2021, Krungthai Bank PCL with external lecturer</li> </ol>
2. Mr. Krairit	Euchukanonchai	<ol style="list-style-type: none"> <li>1. Class 16/2007, Role of Chairman Program (RCP), Thai Institute Of Directors</li> <li>2. Class 59/2005, Director Certification Program (DCP), Thai Institute Of Directors</li> <li>3. Top Executive Program in Energy Literacy, Thailand Energy Academy</li> <li>4. Security Awareness 2021, Krungthai Bank PCL with external lecturer</li> </ol>
3. Mr. Vichai	Assarasakorn	<ol style="list-style-type: none"> <li>1. Class 22, National Defence Course for the Joint State-Private Sectors, The National Defence College</li> <li>2. Class 215/2016, Director Certification Program (DCP), Thai Institute Of Directors</li> <li>3. Class 7/2016, Top Executive Program in Energy Literacy, Thailand Energy Academy</li> <li>4. Class 8/2015, Top Executive Program in Commerce and Trade (TEPCoT), Commerce Academy, University of the Thai Chamber of Commerce</li> <li>5. ASEAN Executive Management Programme, Year 2013, Sasin Graduate Institute of Business Administration of Chulalongkorn University (Sasin)</li> <li>6. Class 12/2011, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand</li> <li>7. Cybersecurity, Cyber Resilience &amp; Privacy Risk in the Era of Digital Transformation, Year 2018, ACIS Professional Center</li> <li>8. Year 2021, Cyber Resilience Program, the Bank of Thailand</li> <li>9. Security Awareness 2021, Krungthai Bank PCL with external lecturer</li> </ol>

Name of the Board of Directors	Training Program and Class
4. Mr. Thanwa Laohasiriwong	<ol style="list-style-type: none"> <li>1. Class 60, National Defence Course, National Defence College</li> <li>2. Class 13/2021, Board Nomination and Compensation Program (BNCP), Thai Institute Of Directors</li> <li>3. Class 45/2019, Role of the Chairman Program (RCP), Thai Institute of Directors</li> <li>4. Class 2/2017, Boardroom Success through Financing and Investment (BFI), Thai Institute Of Directors</li> <li>5. Class 2/2016, Driving Company Success with IT Governance (ITG), Thai Institute Of Directors</li> <li>6. Class 20/2015, Advanced Audit Committee Program (AACP), Thai Institute Of Directors</li> <li>7. Class 1/2015, Ethical Leadership Program (ELP), Thai Institute Of Directors</li> <li>8. Class 22/2014, Successful Formulation &amp; Execution of Strategy (SFE), Thai Institute Of Directors</li> <li>9. Class 10/2004, Finance for Non-Finance Directors (FND), Thai Institute Of Directors</li> <li>10. Class 43/2014, Director Certification Program (DCP), Thai Institute Of Directors</li> <li>11. IBM/Harvard Management Development Program Year 2001</li> <li>12. IBM/INSEAD Management Development Program Year 1998</li> <li>13. Environmental Governance for Executive Officer, Class 4/2016, Department of Environmental Quality Promotion (DEQP), Ministry of Natural Resources and Environment</li> <li>14. Cybersecurity, Cyber Resilience &amp; Privacy Risk in the Era of Digital Transformation Year 2018, ACIS Professional Center</li> <li>15. Class 20/2019, Corporate Governance for Director and Top Management of State Owned Enterprise and Public Organization Course (PDI), King Prajadhipok's Institute</li> <li>16. Class 13/2019, Top Executive in Energy Expertise, Thailand Energy Academy</li> <li>17. Class 3/2019, Executive Program on Rule of Law and Development (RoLD), Thailand Institute of Justice</li> <li>18. Class 30/2020, Top Executive, Capital Market Academy, The Stock Exchange of Thailand</li> <li>19. Year 2020, Cyber Resilience, the Bank of Thailand</li> <li>20. Year 2021, Cyber Resilience Program, the Bank of Thailand</li> <li>21. Security Awareness 2021, Krungthai Bank PCL with external lecturer</li> </ol>



Name of the Board of Directors		Training Program and Class
5. Prof. Dr. Kittipong Kittayarak		<ol style="list-style-type: none"> <li>Class 49, National Defence Course, National Defence College</li> <li>Class 112/2014, Director Accreditation Program (DAP), Thai Institute Of Directors</li> <li>Class 18/2015, Advanced Audit Committee Program (AACP), Thai Institute Of Directors</li> <li>Class 1/2013, Certificate in Law for Democracy, Office of the Constitutional Court</li> <li>Class 1/2012, Top Executive Program in Energy Literacy, Thailand Energy Academy</li> <li>Class 8/2009, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand</li> <li>Class 10/2006, Top Executive Program in Justice Administration, Judicial Training Institute</li> <li>Class 5/2001, Politics and Governance in Development Systems or Executive Course, King Prajadhipok's Institute</li> <li>Cybersecurity, Cyber Resilience &amp; Privacy Risk in the Era of Digital Transformation, Year 2018, ACIS Professional Center</li> <li>Cyber Resilience, The Bank of Thailand (2020)</li> <li>Security Awareness 2021, Krungthai Bank PCL with external lecturer</li> </ol>
6. Mr. Teerapong	Wongsiwawilas	<ol style="list-style-type: none"> <li>Class 246/2017, Director Certification Program (DCP), Thai Institute Of Directors</li> <li>Class 57, National Defence Course, National Defence College</li> <li>Class 8, Top Executive Program, Office of the Civil Service Commission (OCSC)</li> <li>Class 12, Public Administration and Law for Executive, King Prajadhipok's Institute</li> <li>Security Awareness 2021, Krungthai Bank PCL with external lecturer</li> </ol>
7. Gen. Tienchai	Rubporn	<ol style="list-style-type: none"> <li>Class 2/2021, Refreshment Training Program (RFP), Thai Institute Of Directors</li> <li>Class 240/2017, Director Certification Program (DCP), Thai Institute Of Directors</li> <li>Class 22/2016, Advanced Audit Committee Program (AACP), Thai Institute Of Directors</li> <li>Class 3/2016, Ethical Leadership Program (ELP), Thai Institute Of Directors</li> <li>Class 2/2016, Driving Company Success with IT Governance (ITG), Thai Institute Of Directors</li> <li>Class 15/2016, Corporate Governance for Capital Market Intermediaries (CGI), Thai Institute Of Directors</li> <li>Class 28/2016, Successful Formulation &amp; Execution of Strategy (SFE), Thai Institute Of Directors</li> <li>Class 28/2015, Financial Statements for Director (FSD), Thai Institute Of Directors</li> <li>Class 121/2015, Director Accreditation Program (DAP), Thai Institute Of Directors</li> <li>Class 47, Security Studies Program, Royal Thai Army War College</li> <li>Resource Management Introductory Course, United States Army Finance School Fort Benjamin Harrison, Indiana, United States of America</li> </ol>

Name of the Board of Directors		Training Program and Class
7. Gen. Tienchai Rubporn (cont.)		12. Planning, Programing Budgeting, Execution System Course, United States Army Finance School Fort Benjamin Harrison, Indiana, United States of America
		13. Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, Year 2018, ACIS Professional Center
		14. Year 2021, Cyber Resilience Program, the Bank of Thailand
		15. Security Awareness 2021, Krungthai Bank PCL with external lecturer
8. . Mr. Poonnis Sakuntanaga		1. Class 46/2020, Role of the Chairman Program (RCP), Thai Institute of Directors
		2. Class 10/2019, IT Governance and Cyber Resilience Program (ITG), Thai Institute of Directors
		3. Class 7/2017, Ethical Leadership Program (ELP), Thai Institute Of Directors
		4. Class 8/2017, Risk Management Program for Corporate Leaders (RCL), Thai Institute Of Directors
		5. Class 27/2016, Successful Formulation & Execution of Strategy (SFE), Thai Institute Of Directors
		6. Class 113/2009, Director Certification Program (DCP), Thai Institute Of Directors
		7. Class 4, Corporate Governance for Director and Top Management of State Owned Enterprise and Public Organization Course, Public Director Institute (PDI), King Prajadhipok's Institute
		8. In house Training Programs, Citibank
		9. Asian Banking and Sovereign Conference 2006 by Moody
		10. Regional Workshop "Risk Modeling for Sovereign Debt Portfolio" by World Bank
		11. Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation Year 2018, ACIS Professional Center
		12. Year 2019, Cyber Resilience Program, the Bank of Thailand
		13. Year 2020, Cyber Resilience Program, the Bank of Thailand
		14. Security Awareness 2021, Krungthai Bank PCL with external lecturer
9. Ms. Nitima Thepvanangkul		1. Class 34/2019, Advanced Committee Program (AACP), Thai Institute of Directors
		2. Class 3/2016, Ethical Leadership Program (ELP), Thai Institute of Directors
		3. Class 18/2015, Anti Corruption: The Practical Guide Program (ACPG), Thai Institute of Directors
		4. Class 3/2014, Risk Management Committee Program (RMP), Thai Institute of Directors
		5. Class 126/2009, Director Certification Program (DCP), Thai Institute of Directors
		6. Class 24/2017 Top Executive Program, the Capital Market Academy, the Stock Exchange of Thailand
		7. NIDA - Wharton Executive Leadership Program, The Wharton School, University of Pennsylvania, United States of America
		8. PTT Executive Leadership Program, General Electric Crotonville, New York, United States of America
		9. Year 2019, Cyber Resilience, the Bank of Thailand
		10. Security Awareness 2021, Krungthai Bank PCL with external lecturer

Name of the Board of Directors	Training Program and Class
10. Mr. Lavaron Sangsnit	<ol style="list-style-type: none"> <li>Class 58, National Defence Course, National Defence College</li> <li>Class 205/2015, Director Certification Program (DCP), Thai Institute of Directors</li> <li>Class 12/2018, Top Executive Program in Energy Literacy, Thailand Energy Academy</li> <li>Class 25/2017, Top Management Program, Capital Market Academy</li> <li>Class 7, Top Executive Development: Government Administrators, Office of The Civil Service Commission</li> <li>Security Awareness 2021, Krungthai Bank PCL with external lecturer</li> </ol>
11. Dr. Kulaya Tantitemit	<ol style="list-style-type: none"> <li>Class 5/2018, Board Matters and Trends (BMT), Thai Institute of Directors</li> <li>Class 7/2017, Ethical Leadership Program (ELP), Thai Institute of Directors</li> <li>Class 239/2017, Director Certification Program (DCP), Thai Institute of Directors</li> <li>Class 82, Top Executive Development: Leader with vision and morality, Office of The Civil Service Commission</li> <li>Class 6, Diplomatic Executive Program, Devawongse Varopakarn Institute of Foreign Affairs, Ministry of Foreign Affairs</li> <li>Security Awareness 2021, Krungthai Bank PCL with external lecturer</li> </ol>
12. Mr. Payong Srivanich	<ol style="list-style-type: none"> <li>Class 223/2016, Director Certification Program (DCP), Thai Institute Of Directors</li> <li>Cybersecurity, Cyber Resilience &amp; Privacy Risk in the Era of Digital Transformation Year 2018, ACIS Professional Center</li> <li>Executives Training and Development Program, Royal Thai Police</li> <li>TIJ Executive Program on the Rule of Law and Development : RoLD 2019, Thailand Institute of Justice</li> <li>Security Awareness 2021, Krungthai Bank PCL with external lecturer</li> </ol>

At the meeting of the Board of Directors no. 23/2564 (1074) on December 22, 2021, there was a consideration on approval of the Board of Directors' long-term corporate governance enhancement plan for 2022 - 2024 as proposed, the key issues were summarized as follows:

**The Board of Directors' long-term corporate governance enhancement plan 2022 - 2024**

It was implemented in compliance with the Board of Directors' corporate governance enhancement plan 2021 guidelines, 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 in order to have the skill matrix in line with the Bank's mission and strategy as well as strengthening 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 to ensure the performance assessment of the Board of Directors as a whole, self-assessment and cross assessment of directors 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, namely the Thai Institute of Directors (IOD).
- There is a periodic review of the evaluation as appropriate, which shall be approved by the Nomination and Remuneration Committee.
- 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 self-assessment shall be held twice a year, which are in January-June and July-December.

• **Assessment Process**

1) The Nominating and Remuneration Committee 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' self-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

Self-Assessment of the Board of Directors in 2021 from January to December 2021 is summarized by the overall assessment results in 6 aspects as an excellent average score. The overall assessment result is summarized that there was an appropriate number of the members of the Board of Directors for the size of the business. There were a number of members of Independent Directors in compliance with the standard criteria set by the supervisory authority. In addition, the committees are also appointed in accordance with good corporate governance practices for studying and scrutinizing specific work which is 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 and
- (6) Having vision to create value in long term

Assessment of the individual member of the Board of Directors (Self-Assessment) in 2021 from January to December 2021 is summarized by the overall assessment results in 6 aspects as an excellent average score. The overall assessment result is summarized that the Board of 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 Board of 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.

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 and
- (6) Having vision to create value in long term

Assessment of the individual member of the Board of Directors (Cross assessment) in 2021 from January to December 2021 is summarized by the overall assessment results in 6 aspects as an excellent average score. The overall assessment result is summarized that the Board of 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 Board of Directors also had a high degree of independence in responsibility to the Bank's stakeholders. There were 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 Code, the Board of Directors requires every sub-committee conducting a self-assessment at least once a year and report the assessment results to the Board of Directors for acknowledgment as well.

- **Performance Assessment of Sub-committee**

The Bank conducts an assessment of the committees, namely the Board of Executive Directors, the Risk Oversight Committee, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Social Responsibility Committee, the Compliance Committee and the Independent Committee once a year. The assessment is divided into 2 types, consisting of the assessment of the Board of Directors

as a whole and the assessment of individual directors as a self-assessment in order to assess the operational efficiency of every panel of the Committees.

- **Assessment Process**

1) Sub-committees prepare and review the assessment form in accordance with good corporate governance and guidelines for operations of sub-committees.

2) Secretary of the sub-committee will submit assessment forms to the sub-committee.

3) Secretary of the sub-committee collects assessment forms, summarizes their results and reports them to the sub-committee.

4) The 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) Secretary of the sub-committee reports the results of the 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 sub-committees in 2021 were at an excellent level.

## 8.1.2 Meeting Attendance and the Remuneration of the Board of Directors

The Bank's regulations, Clause. 31 stated that the Board of Directors shall hold meetings at least once a month. In 2021 and 2022, the meeting of the Board of Directors was scheduled every Wednesday in the second and fourth week of the month. The secretary of the Board was assigned to set a schedule and standard agendas for each monthly meeting stipulated in advance for the whole year and publicized the meeting schedule in advance through the Bank's intranet in order that directors can arrange their schedule and attend the meetings. Moreover, the Bank's regulations, Clause 32/1 stated that the Board of Directors is able to attend the meeting through electronic media, which must meet the criteria. That is an additional channel for the meeting of the Board of Directors. 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 it is reasonably absent. Moreover, the Bank's regulations, Clause. 32/1 stated that the Board of Directors is able to attend the meeting through electronic media, which must meet the criteria. That is an additional channel for the meeting of the Board of Directors. 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 it is reasonably absent. Any director who has interests in any matter shall not cast a vote on such matters. In such a case, the Chairman may request the director to leave the meeting temporarily. In this regard, the subcommittee related



to the agenda for such a particular issue will review the relevant information; make comments and suggestions before proposing to the Chairman of the Board of Directors for approval and inclusion of that issue on the agenda for prudence and risk management in all respects that may arise. The Bank has classified the agenda into clear categories, such as the Chairman's Report, Approval of Minutes of the Previous Meeting, Matters Arising, Policies, Credits, Debt Restructuring, Investments, Buying/Selling Assets and Procurement, Human resources, Matters of Report and Any Other Business in order to hold meetings efficiently. In addition, the Board of Directors has the policy for the President to invite top executives to attend the meeting so that they are provided additional information as a person directly related to the problem. According to the regulations of the Bank, Clause 30, the meeting invitation must be sent to the director not less than 7 days prior to the meeting date, except for an urgent case in order to maintain the right or interest of the company, a notice for the meeting may be made by other means and the date of the meeting may be earlier fixed. Previously, the Bank has sent invitations to the Board of Directors in time every time. The secretary will write minutes and keep written minutes of the Board meetings approved by the Board of Directors to make them available for inspection.

In 2021, the Board of Directors held a total of 23 meetings, the Board of Executive Directors 45 meetings, the Audit Committee 19 meetings, the Nomination and Remuneration Committee 15 meetings, the Corporate Governance and Social Responsibility Committee 12 meetings, the Risk Oversight Committee 13 meetings, the Compliance Committee 13 meetings, the Independent Director Committee 4 meetings and the Relations Affairs 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 and CSR Committee	Risk Oversight Committee	Compliance Committee	Independent Director Committee	Relations Affairs Committee
1) Mr. Krisada	Chinavicharana	23/23	-	-	-	-	-	-	-	-
2) Mr. Krairit	Euchukanonchai	23/23	43/45	-	-	-	12/12	-	-	-
3) Mr. Vichai	Assarasakorn	23/23	-	18/19	-	11/12	-	-	2/4	12/12
4) Mr. Thanwa	Laohasiriwong	23/23	-	-	15/15	-	12/12	13/13	4/4	-
5) Prof. Dr. Kittipong	Kittayarak	23/23	-	-	-	12/12	-	13/13	3/4	-
6) Mr. Teerapong	Wongsiwawilas	23/23	-	-	15/15	-	-	13/13	4/4	-
7) Gen. Tienchai	Rubporn	23/23	-	19/19	-	-	-	13/13	4/4	-
8) Mr. Poonnis	Sakuntanaga	23/23	45/45	-	-	-	12/12	-	-	-
9) Ms. Nitima	Thepvanangkul	23/23	-	19/19	-	12/12	-	-	4/4	-
10) Mr. Lavaron	Sangsnit <sup>(1)</sup>	23/23	44/45	-	2/2	-	10/10	-	-	-
11) Dr. Kulaya	Tantitemit <sup>(2)</sup>	4/4	-	-	-	2/2	2/2	-	-	-
12) Mr. Payong	Srivanich	23/23	41/45	-	-	-	11/12	-	-	-
<b>Directors who resigned during the year</b>										
1) Ms. Patricia	Mongkhonvanit <sup>(3)</sup>	23/23	-	18/19	10/11	11/12	-	-	2/4	12/12

Notes Number in the table refers to the number of attendance/ number of Board Meeting held while acting as Director.

(1) Change the position from Director of Risk Oversight Committee to Director of Nomination and Remuneration Committee on 10 November 2021.

(2) Took the position of Director on 9 November 2021 and took the position of Director of Risk Oversight Committee and and CG and CSR Committee on 10 November 2021

(3) Resigned from the position of Director on 23 September 2021.

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 2021, there were 3 meetings of the Board of Directors without the Management.

In 2021, the Bank held the Annual General Meeting of shareholders on April 9, 2021. There were 9 Directors out of 12 Directors or 75 percent of the Board of Directors attended the meeting, namely Mr. Krisada Chinavicharana, Mr. Krairit Euchukanonchai, Mr. Thanwa Laohasiriwong, Mr. Teerapong Wongsiwawilas, Gen. Tienchai Rubporn, Mr. Poonnis Sakuntanaga, Ms. Patricia Mongkhonvanit, Ms. Nitima Thepvanangkul and Mr. Lavaron Sangsnit. There were 3 Directors who did not attend the meeting, namely Prof. Dr. Kittipong Kittayarak, who was on a mission, Mr. Vichai Assarasakorn and Mr. Payong Srivanich, the President, who were involved in the epidemic area of the COVID-19, therefore is in the process of quarantine to observe symptoms, making it impossible to attend the meeting. Details were disclosed in the minutes of the 28th Annual General Meeting of Shareholders.

- **Remunerations for the Board of Directors**  
**Policy on Remunerations for the Board of 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 in compliance with the resolution approved by the shareholders meeting annually. Remuneration for directors, both monetary and non-monetary remuneration, is disclosed in the annual report.

The 28th Shareholders Ordinary Annual General Meeting (2021) on Friday, April 9, 2021, there was a resolution to approve the Directors' remuneration for the year 2021. 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 Directors	Baht 160,000.- / Month
1.2 Member of the Board of Directors	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.)	Baht 75,000.- / Time
- Chairman of the Board of Directors	Baht 60,000.- / Time
- Member of the Board of Directors	
2.2 Meeting honorarium for respective committees, the Relations Affairs 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)	Baht 37,500.- / Time
- Chairman	Baht 30,000.- / Time
- Director	

3. Directors' gratuity is subject to the criteria that the Bank must obtain profit from its operation and the Bank must pay dividend to the shareholders. The Bank takes into account the suitability of duties, workloads, as well as in accordance with the rate of dividend payment similar to those of listed companies and commercial banks at the same level. The allocation of the gratuity is at the discretion of the Board of Directors.

Until presently, the Bank does not offer any other remuneration to Directors other than those approved by the shareholders' meeting.

In 2021, the Bank paid Directors remuneration, consisting of the monthly remuneration, the meeting honorarium for the Chairman and Directors in the Board of Directors and the meeting honorarium for the Chairman and Directors in the Sub-Committee in total of Baht 31,654,833.34. It is divided into:

1. Remuneration for the Directors in the Board of Directors with a total amount of Baht 23,262,333.34
2. Remuneration for the members in the Board of Executive Directors with a total amount of Baht 1,530,000.00, for the Audit Committee Baht 1,170,000.00, for the Nomination and Remuneration Committee Baht 1,140,000.00, for the Corporate Governance and Social Responsibility Committee Baht 1,042,500.00, for the Risk Oversight Committee Baht 1,860,000.00, for the Compliance Committee Baht 1,050,000.00, for the the Independent Director Committee Baht 150,000.00 and for the Relations Affairs Committee Baht 450,000.00. Details of the remuneration are as follows:

Unit : Baht

Name of Directors		Monetary Remuneration (Baht)							
	Board of Directors	Board of Executive Directors	Audit Committee	Nomination and Remuneration Committee	CG and CSR Committee	Risk Oversight Committee	Compliance Committee	Independent Director Committee	Relations Affairs Committee
1) Mr. Krisada Chinavicharana	3,045,000.00	-	-	-	-	-	-	-	-
2) Mr. Kratit Euchukanonchai	1,860,000.00	450,000.00	-	-	-	450,000.00	-	-	-
3) Mr. Vichai Assarasakorn	1,860,000.00	-	450,000.00	-	-	-	-	-	450,000.00
4) Mr. Thanwa Laohasiriwong	1,860,000.00	-	-	450,000.00	-	360,000.00	-	-	-
5) Prof. Dr. Kittipong Kittayarak	1,860,000.00	-	-	-	412,500.00	-	360,000.00	-	-
6) Mr. Teerapong Wongsiwawilas	1,860,000.00	-	-	360,000.00	-	-	450,000.00	-	-
7) Gen. Tienchai Rubporn	1,860,000.00	-	360,000.00	-	-	-	240,000.00	150,000.00	-
8) Mr. Poonis Sakuntanaga	1,860,000.00	360,000.00	-	-	-	360,000.00	-	-	-
9) Ms. Nitima Thepvanangkul	1,860,000.00	-	360,000.00	-	330,000.00	-	-	-	-
10) Mr. Lavaron Sangsrit <sup>(1)</sup>	1,860,000.00	360,000.00	-	60,000.00	-	300,000.00	-	-	-
11) Dr. Kulaya Tanititmit <sup>(2)</sup>	258,666.67	-	-	-	60,000.00	60,000.00	-	-	-
12) Mr. Payong Srivanich	1,860,000.00	360,000.00	-	-	-	330,000.00	-	-	-
<b>Director who resigned during the year</b>									
1) Ms. Patricia Mongkhonvanit <sup>(3)</sup>	1,358,666.67	-	-	270,000.00	240,000.00	-	-	-	-
Total remuneration of Board of Directors 23,067,333.34									
Total remuneration of respective committees		1,530,000.00	1,170,000.00	1,140,000.00	1,042,500.00	1,860,000.00	1,060,000.00	150,000.00	450,000.00
<b>Total remuneration of the Board of Directors and all Respective Committees</b>									<b>31,654,833.34</b>

Meeting honorarium for respective committees shall be paid for a total of not more than 2 committees and not 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.

- Notes: (1) Change of position from Director of the Risk Oversight Committee to be Director of the Nomination and Remuneration Committee on November 10, 2021  
 (2) Took the position of Director on November 9, 2021, took the position of Director of the Risk Oversight Committee and Director of the CG and CSR Committee on November 10, 2021  
 (3) Resigned from the position of Director on September 23, 2021

### Gratuity Payment of the Directors in 2020

The Board of Directors allocated a total of Baht 15,070,000.00 as gratuity for Directors in 2020. The details are as follows:

Unit: Baht

Name of Directors/Former Directors *		Gratuity
1) Mr. Krisada	Chinavicharana	1,214,941.15
2) Mr. Krairit	Euchukanonchai	1,713,037.47
3) Mr. Vichai	Assarasakorn	1,264,455.18
4) Mr. Thanwa	Laohasiriwong	1,262,238.13
5) Prof. Dr. Kittipong	Kittayarak	1,262,238.13
6) Mr. Teerapong	Wongsiwawilas	36,950.77
7) Gen. Tienchai	Rubporn	1,262,238.13
8) Mr. Poonnis	Sakuntanaga	1,262,238.13
9) Ms. Nitima	Thepvanangkul	1,081,918.40
10) Mr. Lavaron	Sangsnit	35,965.41
11) Mr. Payong	Sriwanich	1,262,238.13
12) Mr. Ekniti	Nitiithanprapas *	59,121.23
13) Mr. Prasong	Poontaneat *	1,271,106.32
14) Mr. Nontigorn	Kanchanachitra *	971,805.12
15) Ms. Patricia	Mongkhonvanit *	1,109,508.30
Total		15,070,000.00

- 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 creating competitive potential, etc. In accordance with the Bank's operating regulations, the President 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 to consider and approve the exercise of voting rights in the company's shareholders' meeting

Besides, 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 as determined by regulatory authorities of such companies.

### 8.1.4 Monitoring to Ensure the Compliance with Corporate Governance Policies and Practices

#### (1) Prevention of conflicts of interest

In 2021, the Bank will continue to execute the existing Code of Conduct (Year 2019), which covers the Bank's operations in various areas, including the business operations, roles of directors and executives, service standards, responsibilities towards customers, conflicts of interest, information management, overall governance of personnel and establishments, and the monopoly and dispute resolution. The Bank's Code of Conduct is at an international level, equivalent to the Banking Industry Code of Conduct and the Bank as the CEO Sponsor of the Industry Code of Conduct, which is one of the Thai Bankers' Association's 5-year strategic plans (TBA 5-year plan). In order to raise the standards of business Code of Conduct for commercial banks, Krungthai Bank in collaboration with other member banks, formulated the Code Of Conduct For Commercial Banks in order to elevate the standards of business operations to be explicit and concrete. In particular, the said Code of Conduct can be implemented appropriately. As a result, the Board of Directors' meeting of the Thai Bankers' Association has approved the aforementioned guidelines and will be effective from May 21, 2020 onwards.

#### (2) The Use of Insider Information to Seek for Benefits

##### - Supervision of Employee Securities Trading

The Bank has established regulations on Bank's securities purchasing and investment for employees to comply with and to prevent employees in the field and/or related departments who have the opportunity to gain insider information that has not yet been disclosed to the public to use that information for the benefit of their own and those involved in trading securities. The Bank requires supervision by the head of the supervisory unit to ensure that employees in the department comply with the prescribed regulations.

In the event that the employee in an agency that has the opportunity to know insider information wishes to trade in the securities of a listed company, whether trading for oneself or a person involved, he/she must request approval for trading through 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 Regulatory Compliance Sector conducts a daily review of employee trading reports that have been reported via the said system to the management and conduct a report to the Head of Compliance only for the month in which the transaction occurs.

##### - Report on securities holdings of Krungthai Bank PCL. to the Board of Directors

The Bank requires Directors and executives, namely all Group Heads, advisors to the President, accounting executives, investment management executives, as well as supervisors in charge of the accounting and investment management departments, to have a duty to report changes in securities holdings of Krungthai Bank PCL shares of their own and those whom they have relationships with to the SEC Office. This is to comply with 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 Holding of Director, Executive, Auditor, Plan Preparer and Plan Administrator. In this regard, the Bank has assigned the management of the Regulatory Compliance Sector to report the Krungthai Bank PCL. securities holding of directors and executives to the Board of Directors for acknowledgment on a monthly basis to ensure compliance with good corporate governance.



## 2564 Bank's Shareholding of the Board of Directors and Top Executives as at December 31, 2021

Name of Directors and Top Executive Officers		Position	Krungthai Bank Shares Held				Proportion
			Own	Spouse	Child	Total	Percent
1. Mr. Krisada	Chinavicharana	Chairman of the Board of Directors	-	-	-	-	-
2. Mr. Krairit	Euchukanonchai	Vice Chairman	-	-	-	-	-
3. Mr. Vichai	Assarasakorn	Director	-	-	-	-	-
4. Mr. Thanwa	Laohasiriwong	Director	-	-	-	-	-
5. Prof. Dr. Kittipong	Kittayarak	Director	-	-	-	-	-
6. Mr. Teerapong	Wongsiwawilas	Director	-	-	-	-	-
7. Gen. Tienchai	Rubporn	Director	-	-	-	-	-
8. Mr. Poonnis	Sakuntanaga	Director	-	-	-	-	-
9. Ms. Nitima	Thepvanangkul	Director	-	-	-	-	-
10. Mr. Lavaron	Sangsnit	Director	-	-	-	-	-
11. Dr. Kulaya	Tantitemit	Director	-	-	-	-	-
12. Mr. Payong	Srivanich	President	-	-	-	-	-
13. Ms. Saranya	Vejakul	Senior Executive Vice President	-	-	-	-	-
14. Ms. Praralee	Ratanaprasartporn	Senior Executive Vice President	-	-	-	-	-
15. Mr. Werapong	Suppasedsak	Senior Executive Vice President	-	-	-	-	-
16. Mr. Suratun	Kongton	Senior Executive Vice President	-	-	-	-	-
17. Mr. Rawin	Boonyanusasna	Senior Executive Vice President	-	-	-	-	-
18. Mr. Ekachai	Techawiriyakul	Senior Executive Vice President	-	-	-	-	-
19. Mr. Tawatchai	Cheevanon	Senior Executive Vice President	-	-	-	-	-
20. Mr. Santi	Parivisutt	Senior Executive Vice President	-	1,070	-	1,070	0.000008
21. Mr. Suppawat	Wadhanapatee	Senior Executive Vice President	-	-	-	-	-
22. Mr. Pongsit	Chaichatpornasuk	Senior Executive Vice President	-	-	-	-	-
23. Mr. Kittipat	Peantham	First Executive Vice President	-	-	-	-	-
24. Mr. Pichit	Jongsaliswang	First Executive Vice President	-	-	-	-	-
25. Mr. Chanchai	Sinsuparatn	First Executive Vice President	-	-	-	-	-
26. Mr. Panabhand	Hankijjakul	First Executive Vice President	-	-	-	-	-
27. Mr. Chalerm	Pradidarecheep	First Executive Vice President	12,600	-	-	12,600	0.000029
28. Mr. Krit	Chamapisit	First Executive Vice President	-	-	-	-	-
29. Ms. Suwanna	Anantanond	First Executive Vice President	-	-	-	-	-
30. Mr. Rungruang	Sukkirdkijpi boon	Advisor to the President	-	-	-	-	-

### (3) Anti-Corruption

Related actions from the Bank are driven by corporate leaders (tone from the top), with the Board of Directors highlighting 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 frauds as priority. In 2021, 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 Compliance and Legal Management Group to prepare operating regulations on the prevention of bribery of government officials in order to determine guidelines for the preparation of internal control measures in Banks regarding the prevention of bribery to the 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 one 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 preparation of appropriate internal control measures to prevent 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 given under the rules under 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, 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 of 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.

- Communication and training courses: 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 format on regular anti-bribery and corruption, sent via CLMG POST e-mail in the Anti-Bribery and Corruption column.

There is also a training course, "Prevention on the receipt - giving of assets or any other benefits that are considered corruption" to employees at the head office and employees operating in various regions throughout the country, as well as personnel of the Bank's affiliates. This is to promote knowledge and understanding and continually raise awareness of the importance of such matters throughout the year.

### (4) Whistleblowing

The Bank sets the whistle blowing policy and gives opportunities to stakeholders to report any wrongdoing through various channels. Any wrongdoing including corruption, illegal, violating regulation of the Bank's or regulators made by directors, executives, staff, employee or subsidiaries' staff can report through the specified channels. Anyhow, the name of the whistle blower will be kept confidential and protected during the examination and after the process finishes. Whistleblowing channels are as follows:

- Send an email to the Chairman of the Board of Director at
  - E-Mail : [whistletruth@krungthai.com](mailto:whistletruth@krungthai.com)
- Send an email to Whistleblowing Team at
  - E-Mail : [whistle@krungthai.com](mailto:whistle@krungthai.com)
  - Letter : Whistle Blowing Team  
The Office of the President,  
35 Sukhumvit Road, Klong Toey Nua  
Subdistrict, Wattana District Bangkok 10110.
  - Tel : +662-208-4120
  - Fax : +662-256-8778

During 2021, clues have been informed through various channels and actions have been taken. A total of 42 whistleblowing cases were under the procedures, categorized into 22 cases involving non-compliance with rules and guidelines, 14 cases of no actions as informed, 3 cases of fraudulent activity, and is in the process of reviewing 3 cases. In all cases, the Bank has carried out the prescribed procedures, including investigations and appropriate judgments of the offenders, as well as reporting the results of each case to the relevant committees. The Bank takes the information received for further consideration and improvement of the various risk-prone issues in the future.

The Bank operates the Sustainable Krungthai Initiative (Krungthai Kunnatham) to enhance the Bank's business operations in accordance with the Sustainable Business Principles (ESG) comprising Environmental, Social and Good Governance principles along with cultivating an organizational culture of Zero Tolerance. In an effort to develop employees' desirable characteristics, which are I-BEST: Integrity, Breakthrough, Efficiency, Social and Teamwork to blend into the business process in a concrete way, the Bank adheres to many principles, namely the Code of Conduct, the prevention of conflicts of interest, Corruption Prevention, whistleblowing measure, 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 conscience, adhered to the good corporate governance policy, operated with integrity, honesty without violating rules, 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 4) Employees Satisfaction.

## 8.2 Report on the performance of the Audit Committee in the past year

The performance of the Audit Committee is shown in Attachment 6. For 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 of the Committees

- **The Board of Executive Directors**

### Report of the Board of Executive Directors

The Board of Executive Directors is set up by the Board of Directors with the intention of providing support to the operation of the Board of Directors in determining rules, business guidelines and operational practices in various fields for the Bank to carry out accurately, efficiently, and be ready to operate the business to keep up with the risks and the rapidly changing financial environment in accordance with good governance principles. Besides, the Board also takes action to consider and scrutinize corporate loans. At present, the Board of Executive Directors comprises 4 directors as follows:

- |    |               |                |  |
|----|---------------|----------------|--|
| 1. | Mr. Krairit   | Euchukanonchai | Chairman of the Board of Executive Directors |
| 2. | Mr. Poonnis   | Sakuntanaga    | Executive Director                           |
| 3. | Mr. Lavaron   | Sangsnit       | Executive Director                           |
| 4. | Mr. Payong    | Srivanich      | Executive Director                           |
|    | Ms. Sineenard | Damri-anant    | Assistant to Secretary                       |

In 2021, the Board of Executive Directors held a total of 45 meetings to perform duties in accordance with the scopes and responsibilities defined in the Charter of the Board of Executive Directors and reported the operating performance to the Board of Directors on a regular basis. The significant highlights are summarized as follows:

#### Strategic Plan/Business Plan and Budget Consideration

The Board of Executive Directors puts emphasis on scrutinizing strategic/annual business plan and annual budget along with the policy and strategic plan for companies within its financial conglomerate, which constitute business alliance between the Bank and its affiliates to ensure strategic alignment and mutual goal in promoting growth and wealth of the conglomerate. This includes considering the Bank's financial position and capital management strategy before presenting it to the Board of Directors for consideration in accordance with the global situations driving changes in Thailand, e.g., the impact of the COVID-19 situation, the concept of sustainability as well as the Environment, Social, and Governance (ESG) principle that is globally important, and the digital asset business operations, etc.

#### Monitor the Performance of the Bank and its Affiliates

The Board of Directors has made it a priority to regularly monitor the Bank's performance against targets, indicators and benchmark banks, as well as managing the Bank's capital and reserve funds, monitoring to provide assistance to debtors affected by the COVID-19 situation, especially in fragile businesses and SMEs, while accelerating long-term comprehensive assistance and the investment in the Bank's equity/debt instruments. The Board of Executive Directors follows up and ensures that the Management adopts and implements the meeting resolutions, as well as monitoring the operating performance of the Bank's affiliates and acknowledging their report on a regular basis.

#### 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. Elaborated examples are as follows:

### Credit Policy

- Portfolio improvements to improve credit quality has been proceeded by reviewing credit lending strategies in some sectors to be appropriate
- Analyze the problems relating to Non-Performing Loans (NPLs) and sought for 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.
- Encourage and push forward the Bank to stipulate policy that support, facilitate and assist debtors with the intention to ease impacts from the COVID-19 pandemic as well as helping them get through this tough crisis. In the meantime, the Bank also encounters high risk from economic slowdown and the consequences from various problems that happened correspondingly. Therefore, careful credit consideration was required while taking into account the appropriate risk mitigation. Moreover, the obligatory reasons must be clearly identified whereas the reasonable assessment should be conducted by concerning the actual needs and the severity of the impacts that each customer received. Besides identifying the good character of customers with honesty and their intention to do business, the Bank also needed to monitor the circumstances of the customers from time to time in order to acknowledge their condition closely.
- Emphasis and importance have been placed on the Management to participate in various assistance measures stipulated by the Bank of Thailand and government authorities in providing reliefs to debtors affected by the COVID-19 situation. Example is the debt restructuring to support the business of customers under the Asset Warehousing measure.
- Track debtors in vulnerable business groups, especially SMEs and small businesses, as well as monitoring essential business groups that have been severely and continuously affected by the COVID-19 situation, such as hotel business, tourism business real estate business, etc.
- Organize the structure of the credit limit and determine the type of credit line in corresponding with the nature of the business and the needs of the debtors. In addition, it is required to set the conditions for using the credit line and risk control conditions that stimulate the appropriate risk mitigation while still maintaining a good relationship with customers.
- Through accentuating the classification of credit risk rating, the Bank aims to attain tools for effective risk assessment of customers. The Board of Executive Directors delegates policy on the integration of the Credit Risk Rating Model (CRRM) system so as to reach international standards, as well as providing guidelines and principles related to the development and improvement of the credit risk rating. In particular, the credit risk rating is separated into obligor risk rating and facility risk rating in order to reflect the actual risks of customers. For new establishments, the maximum limit of credit risk rating should be imposed to reduce the risk. Additionally, the criteria for the classification of credit risk rating of customers must be clearly defined and should not refer too much to the external ratings.
- When considering credit approval, it must cautiously proceed with prudence. In details, the analysis on the customer's data and character, the standard financial statements, relationship in business networks, news related to movements in a comprehensive business overview, must be conducted thoroughly. The Bank must take into account the actual trading transactions, which do not excessively deviate from standards of the industry. Nevertheless, the credit limit must be consistent with each customer's risk profile, in line with the customer's objectives and under strict control over the disbursement of funds in order to avoid misuse. The Bank shall follow up closely and regularly in addition to assess the quality and potential of the customers at the appropriate time. Consequently, the policy and the operations of the customers with their relevant parties should be progressed appropriately and do not take advantage that may affect the performance of the customers. However, for other actions, the opportunity to operate business and factual information must be taken into consideration prudently and elaborately. It must be careful not to let the Bank lose business opportunities or benefits, as well as building up the Bank's credibility and image. In this regard, it is necessary to seek the appropriate course of actions while taking into account the benefits of the Bank as an important priority.
- The Bank operates business in accordance with the Environment, Social and Governance (ESG) principle. By this means, the Bank has cautions against financing customer's business with risks that may cause significant negative impacts on the environment, society, and corporate governance.
- Conduct regular inspection regarding the quality of trade accounts receivable and stock closely and strictly in accordance with the Bank's regulations in order to reduce the risk and prevent damage from collateral loss or the inventory is inconsistent with stock report. Reconciliation between P/N (Stock) and A/R has been conducted to know the movement of stock and trade accounts receivable compared to existing debt with the Bank. Establish integrated solutions by incorporating technology to help in credit operations so as to achieve greater efficiency beyond the stock checks by surveyors or Bank's employees. This aims to improve the banking system and help reduce overall expenses.

#### Innovation and Digitalization Policy

- The Bank has a clear strategic plan and strategy to drive the organization into digital banking by means of applying modern systems and technologies to improve operative works in all dimensions. It is necessary to leverage the Bank's operations from the starting point to the finishing line along the entire process to be more efficient. Through adopting the digital and robotic process automation (RPA) system to help increase the competence of the Bank's work across the organization, from the First Line of Defense, Second Line of Defense and Third Line of Defense, this enabled the work process to be fast, accurate, spending less cost and reducing redundancy as well as errors in operations. Explicitly, it encouraged more precise and effective monitoring of the operations.
- Along the preparation to step into the Digital Economy, the Bank has continuously developed the platforms that satisfy all requirements of financial services and prospective strategies. At present, the Bank has been running the business simultaneously under the parallel strategy or 2 Banking Models - Carrier and Speedboat. The former term referred to the operation in the traditional banking business such as monitoring the credit quality, accelerating work processes by applying technology to the services and focusing on business expansion from customer's partners in all sectors. Meanwhile, the Speedboat model, as a new business model, paves the way for the Bank to establish Infinitas by Krungthai Co., Ltd. (Infinitas by Krungthai) - the gathering of people with expertise in research, development and service providing in terms of innovation and digital solutions. In this regard, the Infinitas is truly the Speedboat that is looking for new business opportunities as well as exploiting resilient and agile functionality in a flexible operation context. Through focusing to initiate innovation that connects the Bank's 5 ecosystems, the company shall build on the success of a large number of databases and use them for processing in order to understand customer needs at the exact point, reducing operating costs and generating sustainable income for the Bank. All of these shall enable the Bank to break through the Perfect Storm arising from economy with effectiveness and accomplish all the missions set. Responding to the Speedboat strategy, the Bank aims to be the leader in digital platforms to drive specific technological business by creating and developing new platforms for both closed and open systems such as the Pao Tang application, which is the Thailand Open Digital Platform. Regarding this opportunity, Krungthai Bank and Infinitas company get together to continue developing technology as well as upgrading the products and services. In the meantime, both parties also aim to develop the digital human resources management with expertise and diversity under the concept of thinking outside the box. Through the collaboration with leading global partner "Accenture Solutions", the Arise by Infinitas Company Limited has been established under the "One united goal as an F1 Team" concept. The newly established company will operate its business with TechFin approach so the organization is capable of supporting changes in various fields quickly, both in terms of financial innovation and human resource development. It intends to develop new projects and solutions that will accelerate digitalization of the operational processes of Krungthai Bank and scaling to the Cloud-centric Model faster, which is the foundation of long-term growth of the Bank in Thailand and this region.
- Initiate the projects according to the Bank's key strategy for inventing and developing work systems by using the Co-delivery method to help increase work potential. By means of this method, the internal employees together with external experts shall jointly develop the Bank's system in the manner of 3 parts working. The precise details comprise (1) Discovery - to analyze and design a system or product by identifying customer needs with a focus on positive customer experience and user experience; (2) Implementation - to use the findings from Discovery to develop systems related to strategic projects and other systems as required by the Bank; and (3) Deployment & Post Implementation - to manage, take care of, solve problems and repair and fix the system as specified by the Bank. The Co-delivery method employs Agile Methodology to enable fast and responsive business needs, and flexibility for rapid business changes. Bank employees shall gain benefits from knowhow transfer provided by external experts on an ongoing basis over the course of the project. This will enable the Bank to develop technological innovations expeditiously to keep up with business needs and to keep pace with its peers in technology. By being able to continuously develop innovations and use the same group of personnel to continuously develop the specific products, this is to create a prototypical culture for inventing and developing new innovations for employees of the Bank under the sustainable development approach. Through this project, the Bank's employees have learned to do project management and execution from external service providers, who have experience and good standards. Then, the Bank's employees can further apply such knowledge and experience for other projects of the Bank in the future. The expertise from outsourced service providers will assist the Bank to develop its strategic projects according to the 5 Ecosystems and 5 Execution Pillars. Eventually, the Bank is enabled to generate customer satisfaction and gain more channels to increase additional revenue accordingly.
- By adopting advanced technology and information technology systems as the main engine in driving businesses, it was necessary to prepare for the risks arising from cyber threats. There must be a strong and secure security against cyber threats, which generate readiness in dealing with any situation. In addition, the Bank should specify the regulatory framework and risk management in terms of people, processes and tools to reduce the impact on customers and the Bank's reputation.



- Ensured to develop competencies of Bank's employees, especially in terms of technological literacy, through the upskill/reskill training courses in order to achieve sustainable growth. In this regard, the Bank projects that it can effectively compete in an age of disruption driven by digital technology and emerging business models.

#### Organization Management Policy

- One Krungthai practice has been highlighted by promoting the creation of an agile working culture that allows all parties to work as the same team throughout the organization. There is mutual communication so that everyone in the Bank understands the work process and goes in the same direction, which will lead to unity in cooperation and is capable of solving problems rapidly. Meanwhile, all employees strive to learn new things to improve and develop themselves at all times. To elaborate, the Board of the Executive Directors delegates the policy to credit departments to coordinate with the global market departments to present financial products and persuade executives and business owners, who are the Bank's lending customers, to use wealth management services with the Bank. This will continue to generate income for the Bank from another channel, as well as providing full-fledged services to customers
- Revise and improve the Bank's working process and operation format according to the 5 Execution Pillars strategy in the new business model operations. In this regard, the Bank has restructured its structure to be in accordance with the Performance Driven Organization policy and adjusted human resource management to be integrated with the Workforce Rationalization guidelines efficiently. In particular, such revisions shall support the Bank's business operations and enable the Bank to adapt, adjust, cope and respond promptly to the new economy after the COVID-19 situation has eased, e.g., the changes under the Future of Work framework, the recruitment of talented employees, etc.
- Adjust working format due to the COVID-19 pandemic for employees to work in a managed Work From Home format along with the performance assessments. For working at the workplace, co-working space or working without a fixed seat (hot seat) has been highlighted and implemented.
- The Bank has a policy to provide assistance to employees by suspending welfare loan payments for employees affected by the COVID-19 situation. For example, their family income is reduced in the event that spouses, children and parents are laid off or their income is reduced. Additionally, the Bank also improved the criteria and conditions for welfare loans for medical treatment in the case of the COVID-19. In this regard, all operations are in line with the principles of good governance under the specified standards, which must be carefully considered based on the emergence facts.
- Operational policies in various fields must adhere to the principles of Data Governance. The Bank has a standardized management process in accordance with the Personal Data Protection Act (PDPA) to reduce the risk of infringement on the use of personal information.
- For the efficiency and effectiveness in working together in the organization, the important mission was that all parties must cooperate and collaborate in a holistic manner covering all issues, including the law and understanding of the Bank's and customers' businesses, in order to generate utmost benefit. Accordingly, the lessons-learned from previous cases had been conducted to effectively develop knowledge skills. By taking into account the pattern/features of the damage case or defects arising from work operations into a lesson, the relevant parties, such as those who detected or revised the loan in that case, shall become the key speakers in elaborating such lesson to senior executives. Subsequently, through broadcasting the video from lessons-learned presentations, all employees throughout the Bank can study, understand, and develop their skills correspondingly. Therefore, this will be a truly effective and efficient operation for Lessons-Learned approach.
- Deliver policy regarding the Zero Tolerance Towards Non-Compliance and Fraud to support Market Conduct operation that placed importance on elevating the standard in financial services. Furthermore, in order to become the prototypical Moral Bank under the Sustainable Krungthai initiative, the Bank has continually cultivated employees' awareness to jointly create Zero Tolerance culture within the organization and encouraged them to perform duty with accuracy. In consequence, the Bank had formulated the monitoring method and worked together in seeking for anti-corruption or non-compliance prevention schemes in addition to support the effective operation under Three Lines of Defenses approach.
- Delegate a policy for assembling suitable personnel to replace executives and employees in the important business units so that the Bank is ready to conduct business within a rapidly changing environment.
- Support and drive the development of payment services that support government projects through digital platforms, such as Half-Half scheme, wallet SBM, etc.



(Mr. Krairit Euchukanonchai)

Chairman of the Board of Executive Directors

- The Corporate Governance and Social Responsibility Committee

## Report of the Corporate Governance and Social Responsibility Committee

Krungthai Bank recognizes the importance of good corporate governance (CG) and operating its business while creating shared value (CSV) with the society to ensure inclusive and sustainable development in all sectors based on ESG - Environment, Social and Governance - principles and in alignment with the vision statement "Growing Together for Sustainability". The Bank's Board of Directors appointed the Corporate Governance and Social Responsibility Committee consisting of 4 Directors to determine schemes and monitor the results of the Bank's CG and CSV operations. In 2021, the Committee held a total of 12 meetings.

Pursuing the Bank's 2017-2021 corporate governance strategies, the Committee continued driving the Sustainable Krungthai Initiative (Krungthai Kunnatham) in an effort to develop employees' desirable characteristics which are I-BEST: Integrity, Breakthrough, Efficiency, Social and Teamwork. Projects carried out in 2021 included Culture Transformation, under which One Krungthai Application was developed as a tool to improve employees' efficiency; Krungthai Transformative Leadership to drive important projects in alignment with the Bank's strategy; KM in Process to realize knowledge management in the organization and establish it as an organizational culture; and laying down guidelines for the prevention and remedy of sexual harassment in the workplace.

As for its operations regarding sustainability as well as social and environmental responsibility, the Bank has been working toward the United Nations 17 Sustainable Development Goals and operating within the Stock Exchange of Thailand's ESG framework. Furthermore, the Bank established corporate social responsibility (CSR) and CSV framework by formulating a 5-year master plan, which includes projects such as Go Local Grow Local in which the Bank helps local communities develop their local products and environmentally-friendly tourism while improving their literacy in finance, marketing and e-commerce. To promote the country's green growth and environmental protection, the Bank offers green financing programs to provide loan support to businesses seeking to reduce their carbon footprint and negative environmental impact; it also partners with United Nations Development Program (UNDP) to promote biodiversity conservation in local communities. Also part of the master plan is the development of Pao Tang mobile application as Thailand open digital platform to develop Thailand's infrastructure for the digital economy through the implementation of projects such as Half-half co-payment, We Travel Together, Section 33 We Love Each Other and the Ministry of Finance's 1-Baht-Bond via SBM wallet"

We are confident that with our strong vision based on the principles of ESG and 'doing well by doing good', we will be able to grow firmly and sustainably alongside the people of Thailand.



(Professor Dr. Kittipong Kittayarak)  
Chairman of the Corporate Governance and  
Social Responsibility Committee

- The Nomination and Remuneration Committee

## Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of three directors – two independent directors and one non-executive director with the intention of supporting the operation of the Board of Directors. Mr. Thanwa Laohasiriwong is the Chairman of the Nomination and Remuneration Committee. Mr. Teerapong Wongsiwawilas and Mr. Lavaron Sangsniit are the members of the Committee.

In 2021, the Nomination and Remuneration Committee held 15 meetings. The Committee has carefully, cautiously and transparently adhered to the charter of the Nomination and Remuneration Committee for the greatest benefits for the Bank and its stakeholders. Additionally, the Committee has scrutinized and provided suggestions on certain significant issues before proposing to the Board of Directors. Details are as follows:

1. Reviewed and determined policies, criteria and procedures regarding the nomination of the Directors, Top Executives and Authorized Bank Executives. The purpose is to establish the reference guideline for recruiting the candidates, whose qualifications are suitable, has no prohibited characteristics according to the regulations specified by the regulatory agency and are conforming to the vision and business strategy of the Bank.
2. Considered recruiting and nominated qualified persons to be appointed as Directors of the Bank from various sources of information. Each candidate must have appropriate qualifications as specified by relevant laws and regulations, the Bank's rules and good corporate governance policy. The Committee shall appraise candidates based on the required skills and knowledge from the Skill Matrix of the Bank and take into consideration the Director's Pool. The background and performance history of the qualified candidates' profiles shall be verified in order to prevent conflict of interest. The Committee's consideration shall be based on the suitability of organization's size and structure as well as the changing environment. After the related regulators' approval, the Committee proposed the qualified candidates to the Board of Directors and/or the shareholders for approval.
3. Considered and nominated the Bank's Directors to hold positions in Sub-Committees with appropriate qualifications as stipulated in the charter of each Sub-Committee. After the selection, the Committee proposed to the Board of Directors for approval.
4. Considered recruiting and nominated persons to be appointed and rotated to the position of Top Executives and Authorized Bank Executives. The Committee's consideration for each candidate shall be based on their knowledge, education, competency, leadership experience and proficiency in the position, including the ability to make rational decisions for the Bank's business along with having a good vision and attitude towards the Bank. The Committee also encouraged and put emphasis on the Executives' rotation across different Groups in an attempt to continually enhance their potential, skills and self-development through working in diverse fields and attaining new experiences, which is beneficial to the Bank's business operations and efficient management eventually. 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 Group Heads (N-1) and Sector Heads (N-2) of the Bank, including reviewing the succession plan in order to ensure the management continuity, which is beneficial to the Bank's business operation and efficient management.
6. Considered the criteria and specified the performance evaluation guidelines for the Board of Directors, Sub-Committee Directors, the President and the Authorized Bank Executives to comply with good corporate governance as well as outstandingly reflecting the Director's performance.
7. Determined the criteria and considered the remuneration of the Bank's Directors and Sub-Committee Directors according to the rules and related regulations before proposing for approval from the Board of Directors and shareholders in 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 regulatory guidelines and requirements 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 while being suitable with the assigned duties and responsibilities.
8. Determined the criteria and considered the remuneration of the Top Executives and Authorized Bank Executives 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. Determined the criteria and considered the remuneration of the Directors of the Bank's subsidiaries before proposing to the Board of Directors for approval. The Committee takes into account the nature of the business and the Company's performance in an attempt to be in line with the Bank direction.

10. Considered and provided suggestion and guidelines related to human resources management for the greater effectiveness and corresponding to the changing business environment in order to generate the utmost benefit to the Bank's business in the following issues:

10.1 Remuneration structure of the Bank and job review

10.2 The Bank's organizational structure and overview of the personnel

10.3 The Bank's human resources management guidelines and strategies in response to the business direction in the long run under various challenges such as the management during the Covid-19 pandemic, the People Transformation project, and the implementation of One Krungthai Application for the employee development

10.4 Criteria for assessing the competency and performance of the Authorized Bank Executives

Furthermore, the policy and details of the recruitment process along with the remuneration policy, all types of remuneration and the remuneration report have been disclosed in the Bank's Annual Report respectively.



(Mr. Thanwa Laohasiriwong)

Chairman of the Nomination and  
Remuneration Committee

- **The Risk Oversight Committee**

## Report of the Risk Oversight Committee

The Risk Oversight Committee comprises five members - 4 Directors of the Bank and the President. The Senior Executive Vice President - Head of Risk Management Group acts as the secretary of the Risk Oversight Committee.

The Risk Oversight Committee performed the duty within scope and responsibility as written in the Risk Oversight Committee Charter delegated by the Board of Directors. In 2021, the Risk Oversight Committee called 12 meetings and reported the performances to the Board of Directors on a quarterly basis.

The Risk Oversight Committee emphasizes supervision within the guidelines of regulatory agencies and international general practices (COSO), managing the Bank's overall risks level to be within the acceptable levels, and managing capital to be within the appropriate and adequate level for the business operation in both normal situation and stress event. Details are summarized as follows:

1. Reviewed the risk management policy covering various risk types, such as credit risk, market risk, liquidity risk, operational risk, compliance risk, reputation risk, IT Risk, cyber risk and other significant risks, e.g., risk from Personal Data Protection Act. (PDPA) and risk from market conduct. This is to ensure that the risk management policy is up-to-date and in line with the Bank of Thailand's notifications and international guidelines.
2. Set up the enterprise risk management framework, comprising key risk indicators, risk appetite, risk tolerance along with conducting a report of risk management dashboard by taking into consideration the Bank's strategic objective plans and corresponding with Basel regulation.
3. Supervised risk management to be in line with the designated policies by monitoring performance reports of all risks, closely watching risks arising from economic, financial and banking conditions, the competition and the amendment in official rules and regulations, then assessing impacts and conducting stress tests to the Bank's stability.

4. Stipulated the responsible lending policy under the concept of Environment, Social, and Governance (ESG) to promote sustainable banking.

5. Expressed opinions on the development of the impairment instrument and model to calculate expected credit loss (ECL) according to the Thai Financial Reporting Standards 9 (TFRS9), including improving credit management process to mitigate risks and reduce NPLs, as well as closely monitoring Bank's credit and NPLs portfolios.

6. Screened and commented on the Bank's strategic plans including key initiatives of the Bank's Groups in order to ensure that all risks in the strategic plans and key initiatives were considered thoroughly.

7. Determined annual KTB Digital Roadmap to be in line with the Bank's strategic plans and business plans. By taking into account the development of business competencies and the development of fundamental operation systems, the plans aimed to expand customer requirements continually and effectively. In this regard, the appropriate technology has been adopted to create competitive proficiency and growth of businesses, as well as implementing and developing the cyber security to respond to emerging threats at hand.

8. Emphasized the compliance of information technology risk under the regulation prescribed by the Bank of Thailand, encompassing three frameworks: (1) Confidentiality - to ensure systems and data security (2) Integrity - to generate validity and reliability of work systems and data (3) Availability - to provide work system readiness and availability, while monitoring and tracking the system closely to ensure that it provide service to customers continuously. In this regard, the aforementioned frameworks have been considered as the important policies of the Bank respectively.

9. Supervised and monitored closely on the operation as stated by the orders and observations from the BOT and other regulatory agencies including the AMLO and the SEC. In this regard, the responsible units have been assigned to accelerate the process as well as determine the clear deadlines.

10. Stipulated risk management policy and supervised risk management of the financial business group to comply with the BOT's guidelines for consolidated supervision as well as efficiently controlled, monitored and assessed risks of the financial business group to be at the acceptable levels.


11. Regarding the COVID-19 pandemic, the Risk Oversight Committee has continually monitored the relevant risk management plans so that the Bank can continually operate business as usual. In addition, the Committee also assessed the economic situation that affected the Bank in order to maintain the Bank's risks within the risk appetite levels. Details are as follows:

11.1 Activated the Business Continuity Plan (BCP) and monitored the results from BCP implementation so that the Bank can continue business as usual, as well as being capable to provide products and services continually, while reducing the risk of COVID-19 infection of the Bank's employees.

11.2 Assessed trends in the Bank's financial position and capital after undergoing the impact from COVID-19 pandemic with the purpose to manage the Bank's capital adequacy to maintain at the adequate level.

11.3 Monitored government measures and policies that provide assistance schemes to the public so that the Bank can prepare for corresponding measures to help people and customers respectively, for example, improving the process of credit approval and authority to make it more appropriate to assistance measures.

11.4 Assessed and classified customers in groups based on their business performances and debt servicing capacity so that the Bank can stipulate guidelines for monitoring and executing appropriate assistance measures for each customer group, as well as managing the overall credit portfolio by using customer groups information.



(Mr. Krairit Euchukanonchai)  
Chairman of the Risk Oversight Committee  
January 30, 2022



- **The Compliance Committee**

## **Report of the Compliance Committee**

The Compliance Committee of Krungthai Bank PCL consists of four (4) qualified Independent Directors. The Group Head of Compliance and Legal Management Group and the Sector Head of Compliance and Procedures Sector serves as Secretary and Assistant Secretary of the Compliance Committee, respectively.

The Compliance Committee performs its duty within the scope of work and responsibility as prescribed in the Compliance Committee Charter approved by the Board of Directors, which is in accordance with the requirements of the Stock Exchange of Thailand and regulation of the Ministry of Finance. In 2021, the Compliance Committee held 13 meetings in total (12 ordinary meetings and 1 extraordinary meeting) and submitted the minutes of the meetings to the Board of Directors quarterly. The notable performances are summarized as follows:

1. **Review and follow up on the Bank of Thailand's audit report and companies in the financial business group for the year 2020**

The Committee has continuously reviewed and followed up the Bank of Thailand's 2020 audit report results regarding the Bank and its companies in the financial business group. The Committee acknowledged the issues observed by the Bank of Thailand and recommended conducting a clear work plan on how the Bank has rectified the existing issues, the responsible persons should be clearly assigned. And the operators should understand the issues that need to be addressed and resolved.

2. **Follow up on the restructuring of Compliance and Legal Management Group**

The Committee has acknowledged the reorganization of the Compliance and Legal Management Group that the Crime and Fraud Management Division from the Risk Management Division was transferred to Compliance and Legal Management Group. Such Division was upgraded to Financial Crime Sector with three additional divisions: Prevention, Detection, and Investigation.

3. **Review and follow-up assessment of the Compliance Committee for the year 2020**

The Committee has acknowledged the Compliance Committee's assessment result for 2020. The committee suggested that the Bank should add more communication channels for important news to the Committee so that the Committee can follow up continually.

4. **Consider the Annual Compliance Report 2020 and the Corporate Governance Report 2020**

The Committee considered and approved the Annual Compliance Report 2020 before submitting it to the Bank of Thailand and approved the Corporate Governance Report 2020 before submitting it to the Securities and Exchange Commission, Thailand. In this regard, the Committee provided additional suggestions that the Bank should communicate about the rules, results of the review, and impact on the Bank to operating employees at all levels.

5. **Consider the plan, review, and monitor the implementation of Compliance Program 2021**

The Committee considers improvements and provides guidelines for analysis and addition of information in the Compliance Program for the year 2021 to be more clarified, including highlighting major or those that are of concern and cannot be resolved. Thus, by taking into account personnel management and human resources management, various initiated processes must be suitable to support the work regarding compliance to be more effective. The Committee also stresses preventive supervision by coordinating with relevant departments to jointly design the system and inform the Technology Group to help develop the plan to meet the requirements. Likewise, the Committee determines that all employees must be aware of the accurate operations and the problems arising in the employee rotation. Moreover, the Committee insists that the team continually build a Compliance Culture as it is a process that raises the awareness, understanding, and importance of compliance operations.

6. **Review the Anti-Money Laundering Policy and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Policy (AML/CTPF) 2021**

The Committee considered the appropriateness of the amendment in terms of wording so as to be in accordance with the specified law, as well as covering and corresponding to the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Act B.E. 2559 (2016). In particular, there is an update regarding the topic title, objectives, duties, and responsibilities of the compliance with the Bank's policies, and adding the topic and content of information sharing between the Bank and its branches or affiliates located in the country or overseas within the business group. In 2020 and 2021, the Anti-Money Laundering Office has enacted two new laws, namely (1) the Ministerial Regulation Prescribing Rules and Procedures for Customer Due Diligence B.E. 2563 (2020), Chapter 4: Cross-border Correspondent Banks Reliance on Third Parties for Customer Examination Policies for Foreign Offices, Branches or Subsidiaries, in Part 3: Internal Controls and Policies for Foreign Offices, Branches or Subsidiaries, and (2) the Anti-Money Laundering Office Notification Concerning Prescription and Action under Policy and Procedure relating to Internal Control for Financial Institutions and Businesses and Professions under Section 16 B.E. 2564 (2021).

**7. Review and follow up on the audit report of the Securities and Exchange Commission for the year 2020**

The Committee has reviewed the report and followed up on the office of the Securities and Exchange Commission's audit report results for the year 2020, which has examined the business of brokerage and distribution of investment units ("LBDU") of the Bank. The Committee suggested providing additional information on the Bank's next step, and the responsible departments should be assigned.

**8. Follow up reports on the progress of the Bank's operations in accordance with the Bank of Thailand's announcement on default interest and debt write-off**

The Committee has monitored the progress of the Bank's operations in accordance with the Bank of Thailand (BOT) announcement regarding a calculation of default interest and bad debt write-off which is effective from April 1, 2021 and July 1, 2021 respectively. The Committee mentioned such matter has a great importance due to the fact that such announcement is directly related to the customers. Therefore, it has been assigned to all relevant agencies to participate in the integration process in accordance with the BOT's announcement before it needs to be compiled and if any issues or problems are found in the implementation, The Committee has to acknowledge to take care of the problems.

**9. Review and monitor the report on Key Risk Indicator & Compliance Risk Dashboard**

The Committee has continuously reviewed the report and followed up on the Key Risk Indicator & Compliance Risk Dashboard to stay informed of changes in the KRI and compliance risk assessment based on significant transactions and/or regulations and key risk issues related with the Bank. Additionally, the Committee provides recommendations on the preparation of plans for preventing or resolving various risks and creating a dashboard format that is easy to understand and beneficial to the Bank. Also, the follow-up on preparing monthly reports while providing suggestions for the report organizers can improve the risk identification more explicitly.

**10. Follow up on the progress of improving the scope of responsibility of the business units under the Compliance and Procedures Sector and the establishment of an IT Compliance unit**

The Committee has realized and focused on the establishment operations for the IT Compliance Department, especially the responsibility of each unit in the department. Therefore, the Committee requests coordination from the relevant departments in determining each team's scope of duties and responsibilities to be clear and consistent and have no gaps and redundancy between job responsibilities. Inclusively, the Committee also considers the importance of recruiting personnel to work in the IT Compliance Department since human resources are essential key and valuable factors in driving the organization's operations.

**11. Consider the Annual Compliance Report for the year 2020 and the Corporate Governance Report for the year 2020**

The Committee has reviewed the contents and approved the Annual Compliance Report for 2020 before submitting it to the Bank of Thailand. The Committee also approved the Corporate Governance Report for the year 2020 before submitting it to the Office of the Securities and Exchange Commission. The Committee has further suggested that the operators at all levels should be informed about rules, results of reviews, and the Bank's impacts.

**12. Consider appointing officers acting as the highest supervisor of the compliance units**

**13. Consider the complaints related to the securities business in 2020 and the improvement of the complaints management regarding the Bank's Market Conduct**

The Committee has realized and emphasized the duration for resolving complaints related to securities business, the Market Conduct operations, and giving advice on how to be attentive and systematically training the related parties' subordinates. Explicitly, it is required to have effective tools that can solve problems with continuous tracking so that practitioners can operate precisely. The Committee also emphasizes related parties to communicate the progress in resolving the Bank's issues to the Securities and Exchange Commission, Thailand, before the audit resumes.

**14. Follow up on the on-site case report inspection regarding the Anti-Money Laundering and Combating the Financing of Terrorism of the Phnom Penh Branch and consider its AML/CFT operations to comply with the requirements of the National Bank of Cambodia.**

The Committee considered the report on the on-site inspection results regarding the Anti-Money Laundering and Combating the Financing of Terrorism of the Phnom Penh branch by the Cambodia Financial Intelligence Unit. The Committee requested the Management to expedite the action and coordinate with the regulators in Cambodia to acquire precise and acceptable action guidelines. In particular, the detail of each corrective issue is required, comprising identifying the responsible parties for corrective actions, corrective steps, corrective action timeline and schedule for completion, and continuous follow-up on such matters.

**15. Consider the review and follow up on the progress of Market Conduct 3 Lines of Defense operation**

The Committee has recognized and attached great importance to the compliance with the Market Conduct. In this regard, the Bank has reviewed and monitored the progress of cooperation between the Bank's 3 Lines of Defense in implementing the Market Conduct on a regular basis to uplift the Market Conduct rating to a better level. The Committee also provides advice on creating motivation or organizing activities and properly communicating such issues to all employees. Accordingly, the Committee shall continually take part in pushing forward Market Conduct in operation to cultivate for the explicit and concrete policy or practices guidelines subsequently.

**16. Review Anti-Bribery and Corruption Policy**

The Committee considered the appropriateness of the policy in accordance with the Organic Act on Anti-Corruption B.E. 2561 (2018) and the NCC announcement RE: Guidelines on Appropriate Internal Control Measures for Juristic Persons to Prevent Bribery of State Officials, Foreign Public Officials and Agents of Public International Organizations, including Memorandum of Understanding (MOU), namely the MOU on the Banking Industry Code of Conduct with commercial banks, the MOU on the Cooperation in National Anti-Corruption Strategy Driving Phase 3 (2017-2021), the MOU on driving the Bank to become a model of moral organization and the Collective Action Coalition Against Corruption (CAC) Project in which the Bank has joined as a member.

**17. Review and monitor 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 or illegal issues or in the case of being fined by any authorized regulators. The Committee also took into account the direction of foreign branch supervision for special or urgent consideration to elevate the compliance ground and achieve the utmost efficiency.

**18. Review and follow up the summary report of the Internal Audit Group**

The Committee regularly reviewed the report and monitored the findings of the Internal Audit Group every quarter. Besides, the relevant suggestions have been provided to resolve the misconduct found to prevent the repetitive offenses committed and reduce damages that may happen to the Bank.

**19. Consider the performance appraisal of the compliance units for the year 2020**

The Committee considered the performance appraisal of Compliance Units to comply with the practical guidelines of the Bank of Thailand RE: The Compliance of Financial Institutions (Compliance). The scope of consideration was not limited to only the action base but also to the resulting base. In addition, the Compliance Units shall take the evaluation results to support the development and improvement, including the relevant actions to be more efficient.

**20. 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.



(Mr. Teerapong Wongsawilas)  
Chairman of the Compliance Committee

- The Independent Director Committee

### Report of the Independent Director Committee

The Board of Directors has placed importance on the roles and responsibility of the Independent Directors as the essential part that constitutes the sufficient checks and balances on the structure and management of the Board of Directors. As at 31 December 2021, the structure of Krungthai Bank Board of Directors comprises 12 Directors namely, 1 Executive Director and 11 Non-Executive Directors. Among Non-Executive Directors, 6 are Independent Directors, which constitutes 50% of the total numbers of the Directors. Thus, it shaped the ratio of Independent Directors of the Bank to exceed the requirement from the Securities and Exchange Commission (SEC) stating that at least one third of the Board of Directors (33.33%) must be the Independent Directors and it must not be less than 3 Independent Directors. Each Independent Director is capable to provide opinion freely regardless of whether it is the controversy opinion or other observations on agenda items under consideration in the Board of Directors meeting with the intention to defend rights of shareholders and other stakeholders, as well as contributing to the implementation of good corporate governance of the Bank. The Bank's Independent Directors originally have their directorship roles and responsibilities, in consequence; the Board of Directors has enhanced the duty and performance of the Independent Directors to work in a panel like other Bank's Committees. Therefore, the Independent Director Committee Charter was established with the purpose to specify the Directors' qualifications, term of office, including their roles and responsibilities. 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 determined scope of matters to be presented as agenda in the Committee meeting 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
- Handling issues involving all parties of stakeholders

As at 31 December 2021, the members of the Independent Director Committee are as follows:

1) Gen. Tienchai	Rubporn	Chairman
2) Prof. Dr. Kittipong	Kittayarak	Independent Director
3) Mr. Thanwa	Laohasiriwong	Independent Director
4) Mr. Vichai	Assarasakorn	Independent Director
5) Ms. Nitima	Thepvanangkul	Independent Director
6) Mr. Teerapong	Wongsiawilas	Independent Director
Ms. Sineenard	Damri-anant	Assistant Secretary

In 2021, the Independent Director Committee held 4 meetings and reported the minutes of the meeting to the Board of Directors on the quarterly basis. The significant details of the performance, observation and recommendation of the Independent Director Committee are summarized as follows:

1. Acknowledged the report on the results of the shareholders' satisfaction survey towards the 28th Annual General Meeting of Shareholders (2021) and offered recommendations. In this regard, the Independent Director Committee suggested that once the Bank took any actions according to the questions and suggestions of the shareholders from the Annual General Meeting, the Management should monitor the progress of such operation and report to the Independent Director Committee respectively. Meanwhile, the Management should take into consideration the shareholders' questions and suggestions on matters of their interest apart from the operating results and issues related to the meeting agenda. The summary of questions and suggestions should be gathered and organized for the Board of Directors and executives so that they are capable of clarifying or providing related information and further relevant details.

2. The Independent Director Committee has roles and duties, which constitutes an important mechanism of good corporate governance in serving to ensure the interests of the Bank, shareholders, and other stakeholders. Independent Directors are able to provide independent opinions to the Board of Directors as well as supporting crucial policies and advantageous operations. At present, the Bank has cooperated in various government projects, which generate great advantages to the people and the nation. Besides, participation in such projects can also add value to the Bank's business operations, especially when the information and knowledge acquired from the operations has been used as a foundation for further development of the Bank's business and products. However, the Independent Directors are able to object to any policy or operation when foreseeing that it may affect the interests of shareholders or other stakeholders unfairly.

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 matters from the sub-committee or important policies are required to be communicated, the Independent Director can raise such matters in the Committee meeting 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. Encouraged the Bank to take various actions transparently and verifiably. The Independent Director Committee attached great importance in defending the rights of the shareholders and all stakeholders. If there is a case that will have a negative impact on the rights of shareholders and stakeholders, the Management can bring such matter to the Independent Director Committee meeting for discussion and consultation in order to seek for a suitable scheme for implementation.

5. The Independent Director Committee made observations on the preparation of the 29th Annual General Meeting of Shareholders (2022) that there must be an effective action plan to support, both in the event that the government relaxes restrictions under the COVID-19 pandemic and in the case when strict control practices are executed. The Bank must monitor and flexibly adjust the format and features of the meeting as well as prepare other actions in corresponding to the situation, which is required to comply with legal enforcement accordingly. Meanwhile, the Bank must adhere to good corporate governance, especially regarding the risk that may be considered as limiting the rights of shareholders to attend the meeting. Additionally, in cases where it is necessary to conduct the meeting via electronic systems, the Bank is required to prepare the work system that can effectively support the large number of the Bank's shareholders attending at a time.

6. Delegated the policy to the Compliance and Legal Management Group to consider and report to the Independent Director Committee in terms of legal requirements and new regulatory guidelines prescribed by the regulatory agency, which are relevant to the performance according to roles, duties and responsibilities of the Independent Directors.

7. Provided suggestion to edit wording in the invitation letter for the Annual General Meeting of Shareholders to be in line with the principles of good corporate governance, regarding the arrangement of channels for shareholders to submit questions to be answered at the shareholders' meeting in advance. All shareholders who have inquiry or wish to get information related to the meeting agenda can submit questions without restrictions.

8. The Independent Director Committee agreed upon the principle of providing the shareholders the chance to propose an agenda in the meeting and nominate the qualified candidates to be appointed as the Directors in the 29th Annual General Meeting of Shareholders (2022). Accordingly, this shall be proposed to the Board of Directors for approval.

9. The meeting schedule of the Independent Director Committee for the year 2022 has been set in advance, which is on the quarterly basis - 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.

10. The Independent Director Committee considered and agreed to nominate 2 Independent Directors with their profiles to be appointed as proxies for the shareholders in the 29th Annual General Meeting of Shareholders (2022).

11. The performance evaluation of the Independent Director Committee for 2021 was conducted. Divided into 2 types of evaluation - the Committee evaluation (group evaluation) and the Director individual evaluation (self-evaluation), the evaluation results of both types in 2021 showed the overall rating at "excellent" level. In this regard, the evaluation report shall be proposed to the Board of Directors for acknowledgement subsequently.



(Gen. Tienchai Rubporn)

Chairman of the Independent Committee



## Part 2 Corporate Governance

# 9. Internal Control and Related Party Transactions

### 9.1 Internal Control

The banking business has to respond to the changing business environment and service users' demands caused by technology, including the outbreak of the emerging infectious diseases Coronavirus 2019 (COVID-19). The Bank, as part of the support for the government's Thailand 4.0 policy, wishes to drive the country with creativity and innovation. Risk management and internal control is one of the mechanisms for efficient, transparent and examinable operations. Therefore, the Bank places an importance on operating the business for Thai people with sustainability, along with maintaining good internal control and risk management.

Accordingly, the Board of Directors and the Management has attached importance to the internal control through continuous monitoring and oversight so as to obtain reasonable assurance that the Bank achieves its objective of efficient and effective business operations, trustworthy financial and operational reporting, corporate compliance, as well as preventing the actions adversely affecting the Bank's asset and reputation according to the standard of the Committee of Sponsoring Organizations of Treadway Commission (COSO), and the Ministry of Finance's regulations on Standards and Guidelines of Internal Audit for Government Agencies B.E. 2561 (2018). It is referred to international standards and tailored to the context of government agencies. The Bank's Board of Directors had assigned the Audit Committee to review the effectiveness of the internal control system in accordance with COSO standards and/or other suitable standards, including the internal control of the Bank's information system. This is to ensure that the Bank's internal control system is adequate. In this regard, the Audit Committee shall report to the Board of Directors monthly.

The Audit Committee approved the internal control assessment audit report of the internal auditors. According to the Committee, the internal control of Krungthai Bank PCL. is sufficient with constant compliance and is in accordance with the Guidelines of Internal Audit for Government Agencies B.E. 2561

The COSO Internal Control Guidelines consists of five main components:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

The Bank operates in accordance with 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 value towards internal control. This has encouraged all personnel at all levels to have a good awareness in performing their duties with the focus on management according to corporate governance principles. Furthermore, they place importance on ethics, integrity, and compliance with rules and regulations, developing knowledge, skills and competence of the employees according to its vision, Growing Together for Sustainability.

In addition, the Bank focused on building a public trust. It had established strategies and guidelines through implementing the Sustainable Krungthai Project (Krungthai Moral Initiative). The Bank had also raised the corporate governance standards with the goal of implementing them into action for tangible results throughout the organization as follows:

1. **Corporate Governance Strategic Plan:** The Bank developed the Corporate Governance Strategic Plan of Krungthai Bank Plc. 2017-2021 under the Sustainable Krungthai Project. It is in line with the National Strategy on Anti-Corruption Phase III (2017-2021), which aimed to create an organization with zero tolerance to corruption. It includes:

- 1) Create a Society Which Does Not Tolerate Corruption
- 2) Promote Ethics Will to Fight Corruption
- 3) Develop Corruption Prevention Systems
- 4) Raise the Standards of Corruption Suppression
- 5) Improve Integrity and Transparency Assessment (ITA) Score

2. **Tone from the Top** Chairman of the Board of Directors, Directors, President, Group Heads, and employees of the Bank announced their will to work with integrity, transparency and morality to develop standards of morality and ethics, and instill good values and conscience. They adhered to corporate governance policy, complied with rules and regulations, as well as operating with transparency in order to create a zero-tolerance corporate culture.

3. **The Bank operated activities/projects under the Sustainable Krungthai Project** by focusing on the Inside-out Blasting approach to provide opportunities for supervisors and employees to participate in brainstorming on methods to prevent and reduce corruption. They also engaged in finding means to improve work processes to comply with rules and regulations, emphasizing developing moral and ethical standards, driving

the Bank to be a moral organization model with international standards.

In addition, the Bank has joined the Thai Private Sector Collective Action Against Corruption (CAC) since 2011 and places great emphasis on the implementation of the Anti-Bribery and Corruption Policy by communicating clear guidelines continuously through articles via e-mail and intranet, for example, stressing the No Gift Policy: "Krungthai does not accept gifts to uphold the spirit of the moral organization."

The Board of Directors and the Audit Committee supervised and monitored the damage prevention process management and internal control process. In this regard, the Audit Committee held a meeting to consider the audit report and credit review results of the Internal Audit Group every two months or as deemed appropriate. The committee offered observations, recommendations, and guidelines to prevent any damage that may occur to the Bank. Apart from that, the Audit Committee also presented the audit and credit review results to the Board of Directors for their awareness or for the Management to take action. As for reviewing the Bank and its subsidiaries' monthly financial statements and profits, a meeting with the Financial Management Group and a meeting with external auditors were arranged every month and every quarter respectively. They provided useful observations and suggestions. Lastly, the Audit Committee summarized the performance of its duties and reported to the Board of Directors on a monthly basis.

The Bank has determined an organizational structure which is appropriate for business operations based on the 3 Lines of Defense principle, as well as in accordance with good risk management and internal control with clear separation of duties and responsibilities. A business unit was assigned to review and inspect operations to be in accordance with the organization's rules and regulations. The employees were assigned their responsibilities clearly and in writing. Moreover, a scope and level of approval authority for each management is delegated. Human resource policies and procedures are appropriate to motivate and support employees.

In terms of personnel management, the Bank set policies and guidelines and assigned each business unit to strengthen its employee engagement by conducting a survey on employee engagement and using the results to improve personnel operations.

The Bank communicates its strategic plans and business plans, including setting important goals for employees in the organization for acknowledgement and for operations in the same direction. It determined the human resources skills and knowledge development plan which is in line with its strategy as well as developing employees' skill and knowledge in design thinking, data analysis, and information technology. Its branch employees were trained on their digital banking skills such as management and creating good experiences for customers in

using digital channels, and fundamental knowledge and features of Krungthai NEXT application. In addition, the Bank emphasized Market Conduct by instructing its employees of all branches nationwide to provide complete and accurate information to customers for important decisions making without forcing them to buy the Bank's products.

The Bank also pays attention to customer complaints by establishing the Customer Complaint Center for receiving customer complaints in order to coordinate with relevant business units in solving problems. An SLA based on the type of complaints is set. The Customer Complaint Center also analyzed and solved problems to meet customer needs and reported the results to the executives on a monthly basis.

## 2. Risk Assessment

In 2021, the Bank continued to implement strategies to drive further growth through two key business models: the carrier model-to increase efficiency and reduce operating costs of key departments to protect existing business bases, and the speed boat model-to do business in the form of agility and speed, and seek new business models in order to extend business from customers' partners and seek cooperation in various government schemes to drive the Bank's growth in the era of digital disruption that has changed consumer behaviors and made the banking business more competitive. In this regard, the Bank considered and complied with relevant official regulations and risk management, together with internal control.

The Bank continues to develop and improve its risk management process. The Risk Management Group acted as Second Line of Defense to oversee the overall picture of the Bank's risk management. The Risk Management Group serves as a center for developing risk management systems and connecting the entire organization. It also followed up and reported the status of each type of risk to the Bank's committees, which are: The Board of Directors, the Audit Committee, the Risk Oversight Committee, and the Management Committee

In the meantime, the Bank recognizes the importance of enterprise risk management, which is a risk management process necessary in leading the organization to success and achieving its objectives. Enterprise risk management includes key risk management activities, namely strategic, credit, market, liquidity, operational risk, information technology, compliance, and reputation through risk monitoring in the form of key risk indicators. They are displayed on the Risk Management Dashboard to summarize information on each aspect of risk management, which identify/analyze risk causes and risk management methods. It is reported to the Risk Oversight Committee (ROC) on a monthly basis.

Information technology risk governance is vital since technology plays such a large role in every aspect of the Bank's business operations. Key risk indicators for information technology

(IT-KRI), therefore, have been defined as leading and lagging indicators for use in risk monitoring based on key principles.

1. Confidentiality
2. Integrity
3. Availability: To be able to prepare to cope with troubles effectively and to prevent impacts on the Bank's services, work systems, and reputation.

The Bank places importance on a zero-tolerance culture in the organization, with continuous communication from executives to employees and support for reporting unusual events or fraud. The business units' executives report fraud incidents to the Financial Crime Sector, Compliance and Legal Management Group via email within 24 hours to suspend the incident and resolve the situation in a timely manner. The Internal Audit Group also uses automated systems as a tool to detect unusual transactions.

In the operational risk management of the Bank, there is an operational loss data report that shows the gross loss amount of operational risk events from seven risk categories. By 2021, a pattern of corruption in the form of "Non-monetary Transactions" and "Fraudulent Cash Withdrawals" declined from 2020 as the Retail Banking Sales & Distribution Group assigned a nonmonetary transfer mission to Workstream Zero Tolerance. It results that transfer fraud can be effectively prevented by up to 80 percent. As for the risks from major external frauds, such as third-party forgery of the signature of the authorized payee or impersonating the owner of the account to withdraw money from the account/cheque, etc., the Bank has considered the opportunities and impacts that will occur, including analyzing the causes of the risks and internal control weaknesses in order to determine appropriate internal control activities.

In addition, the Bank's product release will have a product assessment, which is a joint action between the product owner's business unit, the Compliance and Legal Management Group, Risk Management Group, Operation Group, and Financial Management Group. If the Bank uses services from outsiders or provides a service to other people, the project owner will assess the potential risks and set control guidelines. The product assessment data is stored through the Bank's work system, and a product committee or other relevant committees will give their opinions on the products before they are brought to the market.

The Bank also conducted an internal control evaluation every year in accordance with the Ministry of Finance's regulations on Standards and Guidelines of Internal Audit for Government Agencies, B.E. 2561 (2018). The report will be presented to the Audit Committee and the Board of Directors. At the business unit level, the Bank requires all units to conduct a Risk Control Self-Assessment (RCSA) in order to identify and assess the risks that may arise by taking operational loss incidents and observations from the Internal Audit Group into account. Each business unit has appointed an Operational Risk Officer (ORO) to be

a coordinator within the unit and to participate in the process of implementing their business unit's operational risk management tools.

### 3. Control Activities

The Bank has realized the importance of operational processes and internal controls by setting policy frameworks and operating regulations. Authority and responsibilities, as well as the scope of each employee level's authority to approve each type of transaction, are clearly set in writing and communicated to employees within the organization. The Bank has also reviewed internal operating regulations such as account opening procedures, credit procedures, and electronic products provided by the Bank to be clear and up-to-date, including policies and SOP manuals, in order that employees can easily apply them to their operations and provide customers with fast and accurate services.

The Audit Committee has been assigned by the Board of Directors to review the effectiveness of the internal control system and the financial reports together with the auditors and the Financial Management Group to ensure that financial statements are made in accordance with the requirements of the law and generally accepted accounting principles and that the disclosure of information is adequate, complete, timely, reliable and beneficial to the users of the financial statements. The committee has also followed up on corrections according to the observations of the audit of the financial statements of the external auditors.

The Board of Directors and Management have given 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 the past performance and performance of the Bank's competitors.

The Bank has operating regulations on asset protection: there is limited access to assets at risk and the property is taken care of in a strict and adequate manner. There is a control registration, follow up on the cause, and improvement on the difference. There is an information system control in terms of processing, data transmission, and file backup. There is a computer system provision and development and maintenance of the work system in the information system to be sufficient and suitable for the needs of the organization. Additionally, an annual review of the internal control of the information system is conducted by the Internal Audit Department.

The Bank has in place an internal control process, both for hard control and soft control, in every working process. It has set the controls through regulations, manuals, and systems, as well as encouraging employees to work with prudence, accuracy, and creativity in applying technology and reducing work procedures. However, there are gaps in some issues of internal control, particularly employees' lack of understanding of operating

in accordance with the regulations, manuals, and guidelines set by the Bank. Therefore, the Bank has established additional solutions that are important as follows:

- The systems are used to prevent fraudulent acts, such as verifying the identity of the customer by reading the ID card for the welfare card and developing a system to prevent non-monetary transactions.
- The SMS Notification system for corporate customers has been developed to help prevent fraud from third parties using the cheque transaction service.
- Workforce rationalization and pool operations have been implemented to pull branch operations out to the center in order to reduce the branches' work and incorrect operations and improve the Bank's services to be faster.
- A message notification on LINE Krungthai Connex and SMS has been sent to customers doing fund transactions.
- The credit process is adjusted to be tighter, such as adjusting the process of calling back to confirm customer payment information, implementing the practice guideline for credit control, and adjusting the disciplinary process for employees to be fast and concise, as well as improving communication on various matters to reach employees at all levels via the One Krungthai Application.

The Bank places importance on the channels and processes for reporting corruption risks. The stakeholders have the opportunity to report the misconduct in many ways. If fraudulent acts, illegal or illegal 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 through e-mail. These channels and procedures are clearly provided for reporting risks, improper conduct, or unconforming practices occurring in the organization to build trust among the management and employees using 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 a standard 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. The Bank has also supervised and monitored KTBCs to maintain the systems in terms of availability and security in accordance with the Bank's policies and standards, such as security and surveillance of information assets, surveillance of information technology threats, environmental security and IT operation management.

The Banks have procedures and guidelines to use in emergencies and to support business continuity in a systematic way to keep hardware and software systems as well as data

and information continuously available to effectively meet customer and business needs. It includes:

1. Business Continuity Management Policy (BCM) and Business Continuity Plan (BCP)
2. Information Technology Certified Professional (ITCP)
3. Preparation of the backup site according to the BCP plan and the disaster recovery center.
4. Rehearsal according to the BCP and ITCP

The abovementioned processes are regularly reviewed and updated by the Bank in order to be practical in accordance with the ever-changing situation.

The Bank has implemented DLP blocking to filter and control the export of sensitive data by detecting data leaks and preventing leaks through the Bank's various channels: Gmail, Google Drive, and uploading data to external websites in order to ensure that the Bank's employees send information that is appropriate and necessary for their duties to the correct external recipients and that the transmission of information does not cause damage to the Bank.

In terms of information classification, the Bank has determined that each business unit has an information classification and an information labelling. It also trains all employees to acknowledge and be aware of the importance of information protection issues that may affect the Bank's operations if certain information is disclosed to a third party, including regulations and prohibitions on classified information. The Bank has continually reviewed the operating regulations relating to information protection and customer information disclosure.

The Bank attaches great importance to compliance with the Personal Data Protection Act. For the protection of personal information, the Bank is constantly preparing to support compliance with the law in order that personal data 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 collection, use, and disclosure of sensitive data have also been announced to the Bank's internal departments for acknowledgment and compliance with the Personal Data Protection Act (PDPA).

The Bank is raising awareness of the safe use of technology. This is an important thing that all employees should always be aware of and protect themselves and the Bank's information assets 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 to employees and executives to ensure the Bank's security from cyber threats.

For dealing with the COVID-19 pandemic, the Bank had a policy that employees be grouped by the Bank's BCP implementation. For critical bank transactions, employees were

grouped to work at backup sites in order that the Bank's transactions could be conducted continuously. Likewise, some employees were ordered to be able to work from home; the Bank has improved work processes and developed a work support system according to the New Normal. Supervisors had a guideline to follow up on the work, and employees were encouraged to follow the guideline strictly. The Human Resources and Corporate Governance Group has developed documents to effectively support work from home, for example, the Performance Management Manual under Flexible Working for supervisors and employees, and practices for appropriately working from home (not breaking employees' discipline) while maintaining and driving productivity to a higher level with various technologies, as well as adjusting the mindset to be ready for the change to the New Normal.

The Bank has continued to announce risk prevention measures and guidelines for employees during the COVID-19 pandemic. It also requires all employees to strictly report their daily health so that the Bank can effectively and timely prevent and control the spread of disease.

For internal control of subsidiaries, the Bank has monitored and controlled its subsidiaries according to the risk governance requirements of the financial business group, both in terms of risk management and management quality. This is reported to the Board of Directors regularly and when there are significant changes. The report covers seven risks, namely strategy, credit, markets, liquidity, operations, reputation, and technology, where risks are reported and assessed by the Control Self-Assessment (CSA), Key Risk Indicator (KRI), Loss Data Reporting, and Risk Control Self-Assessment (RCSA), etc. If there is a risk, the Bank will closely and continuously monitor the risk management of its subsidiaries.

#### 4. Information and Communication

The Bank communicates its strategies and announces its intention to become an organization with a zero-tolerance culture by doing activities with various departments and publicizing articles from the Bank's executives to all employees. The branch executives also have 2-way communication with the staff in the team in the morning of each day to make them aware of and understand their roles and responsibilities regarding important information issues and internal control guidelines to prevent risks.

The Bank has raised awareness of the safe use of technology. All employees must always focus on their work in order to protect themselves and the Bank's information assets from the ever-increasing cyber threats and in accordance with the Personal Data Protection Act. This awareness is provided through Krungthai Cyber Security and Privacy 2021 activities. Guidelines on using information during work from home were also communicated,

such as using a VPN to securely connect the Bank's work system from an external network, sending information via email, not sharing or sending a meeting link to the authorized persons only to prevent data leakage.

The Bank has created an information system that supports the reporting of risk impact assessments and early warning systems of incidents or risks that may occur and affect the organization through enterprise risk management, which is reviewed annually. It also has a fraud monitoring system to detect unusual transactions and reduce potential damage to customers, as well as reducing errors in the event that branch employees do not perform properly in accordance with the Bank's regulations. There are many systems to support compliance with various fraud area controls such as 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 on a monthly basis via social media such as Line and Facebook. The Bank also communicates both within and outside the Bank and subsidiaries on information technology risks such as cyber risk and cyber security, as well as conducting workshops and communicating articles via email, such as guidelines and providing services on mobile devices (Mobile Device Management).

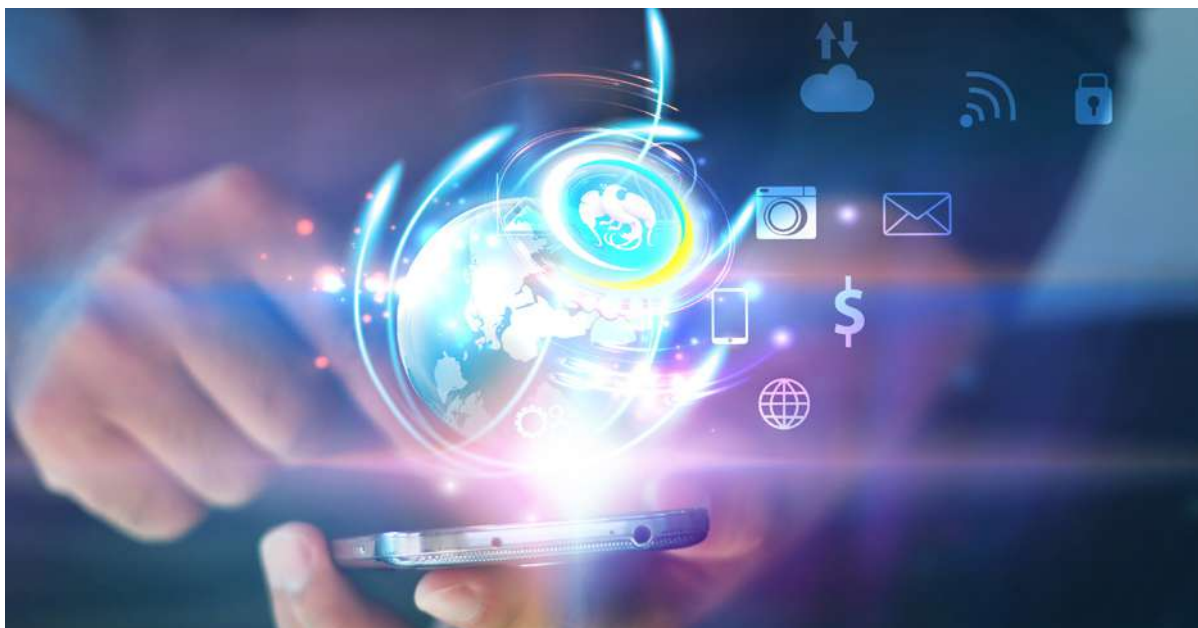
In 2021, the Bank continued to develop the technology used in its communications. The One Krungthai application has been developed for the internal communication of the Bank regarding news, products, and knowledge management, where ONE coin is collected when participating in activities, and feedback on employee participation in each activity is tracked. For external communication, the application becomes a channel for customers who download it to keep up with the news and various products of the Bank.

Furthermore, when communicating new products or services, the communication process for internal staff of the Bank and call center staff is via intranet, circular, and email, whereas the communication channel to customers is via the Bank's social media, Line, Facebook, Twitter, and website.

Last year, the Bank was concerned about the health of employees during the COVID-19 pandemic. Therefore, the Bank has raised awareness among employees about self-care guidelines to reduce the risk of infecting COVID-19. It established a COVID Hotline to answer questions related to health risk assessments and guidelines in line with the Bank's COVID-19 prevention measures. A survey questionnaire for vaccination has also been created to regularly inquire about the needs and to provide vaccines to employees who have not been vaccinated.

In terms of communication with external channels, the Bank has a call center at +662 111-1111 and channels to communicate information or introduce the Bank's products to general customers through social media such as Line Official, Krungthai Care, etc.,





as well as setting up complaint channels for whistleblowing via email to the chairman of the Bank, letter, email, and whistleblowing team's telephone or other alternatives for employees, namely sending email to HR executives and calling staff in the Employee Relation Team of the Discipline and Employee Relation Department. In addition, external and internal information are communicated to executives and employees within the organization through various channels, such as the intranet and publications for employees. The information is easily accessible, clear, and helps employees perform their responsibilities efficiently.

## 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).

For KPI monitoring, executives and assigned persons have monitored performance from the Bank level to department level by employing different reporting tools and formats as appropriate for the job description and report user's needs so that a department has a complete, accurate and timely report for the monitoring of performance and the Management can compare the performance with the plan. If it is found that the performance has discrepancies from the plan, the Management must analyze and manage the plan in accordance with the set objectives, including monitoring the progress of the implementation of the resolutions or orders of the committees and reporting the progress regularly.

KRI monitoring is a risk management activity that may result in operations not meeting KPIs. There is a systematic follow-up through the enterprise risk management process in the form of a risk management dashboard presented to the Risk Oversight Committee on a monthly basis to timely report on the signs of the overall risk indicators of the organization, risk status, and

guidelines for corrective actions or improvements. In cases of great importance and urgency, the Risk Oversight Committee will issue an order requesting more information, or may give an order to the Management in order that the Bank can achieve its objectives of internal control effectively and efficiently.

In the event that there are internal and external corruptions, employees' mistakes, system failures, interruptions, or malfunctions, or the Bank is fined by a government agency and punished with other actions that may have a significant effect on the organization, the Bank has set a process for business units that are the first line of defense to report incidents through the Bank's system immediately or within the day the incident is detected. Significant incidents will be reported on a risk dashboard to the MC and the ROC on a monthly basis. There will be a monitoring of operational loss data's risk appetite and risk tolerance as approved and set out in the operational risk management policy. This will enable the committees to quantitatively see whether the Bank is at the risk level specified by the Bank or not. There is also a presentation of risk analysis in the significant incident, both in the details of the cause, failed control and additional control to close gaps in incidents and monitor the effectiveness of controls that have been implemented. The committees will have additional opinions and suggestions for relevant business units to improve internal controls so they are integrated and able to close the risks end-to-end, as well as closely monitoring progress.

Meanwhile, the Internal Audit Group's responsibilities are to assess the adequacy and effectiveness of operational processes and information systems, internal control and risk management on the mission and scope of work, along with giving advice and consultation, suggesting methods or measures for improvement in order to work efficiently, effectively, economize, prevent corruption and have good governance.

## 9.2 Related Party Transactions

9.2.1 The 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 Dec 21		31 Dec 20		Shares held by the Bank (%)	Common Directors or Top Executives	
	Borrowings	Obligations	Borrowings	Obligations			
<u>The Bank's Subsidiaries</u> <sup>(1)</sup>							
KTB Law Co., Ltd.	-	-	-	-	100.00	Mr. Pongsit Chaichatpornsuk	
KTB General Services and Security Co., Ltd.	8	46	7	21	100.00	Mr. Santi Parivisutt	
						Mr. Chanchai Sinsuparatn	
Krungthai Asset Management Pcl.	-	-	-	-	100.00	Dr. Kulaya Tantitemit	
KTB Computer Services Co., Ltd.	1,967	5	2,096	5	100.00	Mr. Tawatchai Cheevanon	
						Mr. Pongsit Chaichatpornsuk	
KTB Advisory Co., Ltd.	-	-	-	-	76.00	Mr. Krairit Euchukanonchai	
						Mr. Payong Srivanich	
						Ms. Praralee Ratanaprasartporn	
						Ms. Saranya Vejajkul	
Krungthai Card Pcl.	5,130	1	7,660	1	49.29	Ms. Praralee Ratanaprasartporn	
Infinitas by Krungthai Co., Ltd. <sup>(2)</sup>	-	-	-	-	-	Mr. Krairit Euchukanonchai	
						Ms. Praralee Ratanaprasartporn	
						Mr. Rawin Boonyanusasna	
						Mr. Rungruang Sukkirdkijpi boon	
Arise by Infinitas Co., Ltd. <sup>(3)</sup>	-	-	-	-	-	Ms. Praralee Ratanaprasartporn	
						Mr. Rungruang Sukkirdkijpi boon	
KTB Leasing Co., Ltd. <sup>(4)</sup>	1,100	-	1,780	1	24.95	Mr. Chanchai Sinsuparatn	
KTC Nano Co., Ltd. <sup>(4)</sup>	-	-	-	-	24.95	-	
KTC Prepaid Co., Ltd. <sup>(4)</sup>	-	-	-	-	24.95	-	
KTC Pico (Bangkok) Co., Ltd. <sup>(4)</sup>	-	-	-	-	24.95	-	
KTC Pico (Chonburi) Co., Ltd. <sup>(5)</sup>	-	-	-	-	-	-	
KTC Pico (Pathum Thani) Co., Ltd. <sup>(5)</sup>	-	-	-	-	-	-	
KTC Pico (Samut Prakan) Co., Ltd. <sup>(5)</sup>	-	-	-	-	-	-	
KTC Pico (Samut Sakhon) Co., Ltd. <sup>(5)</sup>	-	-	-	-	-	-	

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 indirectly invests through KTB Advisory Co., Ltd. which holds 100% of the shares in the company.

(3) The Bank indirectly invests through Infinitas by Krungthai Co., Ltd., which holds 51% of the shares in the company.

(4) The Bank directly invests 24.95% and indirectly invests 75.05% through Krungthai Card Pcl.

(5) The Bank indirectly invests through KTC Pico (Bangkok) Co., Ltd., which holds 100% of the shares in the company.

(6) From January 5, 2022 onwards, Krungthai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd.

(7) Associated companies according to the consolidated financial statement criteria, excluding those from the financial business group

(8) Related party transaction of the Bank and money market (asset)

Unit : Million Baht

The Bank's Financial Statements	31 Dec 21		31 Dec 20		Shares held by the Bank (%)	Common Directors or Top Executives	
	Borrowings	Obligations	Borrowings	Obligations			
<a href="#">The Bank's Associated Companies</a> <sup>(1)</sup>							
Krungthai-AXA Life Insurance Pcl.	-	-	-	1	50.00	Ms. Praralee Ratanaprasartporn Mr. Rawin Boonyanusasna	
Krungthai Zmico Securities Co., Ltd.	-	-	-	-	50.00	Mr. Weerapong Suppasedsak Mr. Rawin Boonyanusasna	
Krungthai IBJ Leasing Co., Ltd. <sup>(6)</sup>	5,373	-	5,142	2	49.00	Mr. Ekachai Techawiriyakul	
Krungthai Panich Insurance Pcl.	1	5	-	5	45.00	Mr. Weerapong Suppasedsak Ms. Saranya Vejakul Ms. Suwanna Anantanond Mr. Chalerm Pradidarecheep	
National ITMX Co.,Ltd. <sup>(7)</sup>	-	-	-	-	19.97	Mr. Payong Srivanich	
BCI (Thailand) Co., Ltd. <sup>(8)</sup>	-	-	-	-	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 indirectly invests through KTB Advisory Co., Ltd. which holds 100% of the shares in the company.

(3) The Bank indirectly invests through Infinitas by Krungthai Co., Ltd., which holds 51% of the shares in the company.

(4) The Bank directly invests 24.95% and indirectly invests 75.05% through Krungthai Card Plc.

(5) The Bank indirectly invests through KTC Pico (Bangkok) Co., Ltd., which holds 100% of the shares in the company.

(6) From January 5, 2022 onwards, Krungthai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd.

(7) Associated companies according to the consolidated financial statement criteria, excluding those from the financial business group

(8) Related party transaction of the Bank and money market (asset)



Details on the balances of deposits, and borrowings from subsidiaries and associated companies are as follows:

Unit : Million Baht

The Bank's Financial Statements	31 Dec 21		31 Dec 20	
	Borrowings	Obligations	Borrowings	Obligations
<a href="#">The Bank's Affiliated Companies</a>				
The Bank's Affiliated Companies (Businesses in which the Bank holds shares of 10% or more)	-	-	-	13
The Bank's Affiliated Companies in which the Bank holds shares from debt restructuring of 10% or more	8,256	1	8,411	1
The Bank's Affiliated Companies that have a parent company or a director or top executive together	21,955	142	19,263	365

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 Dec 21	31 Dec 20
<a href="#">Subsidiaries</a>		
Deposits	4,336	3,553
Interbank and money market items (liabilities)	458	158
<a href="#">Associated companies</a>		
Deposits	309	276
Interbank and money market items (liabilities)	3,233	4,831
<a href="#">Subsidiaries</a>		
Interest income	78	123
Interest expenses	6	12
Other income	1,292	1,055
Other expenses	6,366	6,321
<a href="#">Associated companies</a>		
Interest income	69	81
Interest expenses	63	117
Other income	2,455	2,426
Other expenses	410	250



#### Related-party transactions of the Bank, and subsidiaries and associated companies (Financial statement notes)

##### o Related Party Transactions

##### Subsidiaries

1) The Bank has assigned Krungthai Computer Services Co., Ltd. to provide information technology services to the Bank in relation to the implementation of schemes and systems according to the Bank's business plans. It provides services to the Bank in control, maintenance, system development, preliminary consulting, and training in various ways. The company charges a fee based on the estimated cost plus for the years ended December 31, 2021 and 2020 in the amounts of Baht 3,728 million and Baht 3,487 million, respectively.

The Bank has allowed the said subsidiary to act on behalf of the Bank in the implementation of the GFMS scheme in phase 2 since 2003. The Bank together with the government sector, namely the GFMS Steering Office and the Secretariat of the Prime Minister, has signed a memorandum of agreement for the acceptance of the system and has already paid compensation and expenses for investment in the Government Fiscal Management Information System scheme (GFMS) on September 22, 2005. In addition, the government sector and the bank have

signed another contract to hire the Bank to perform the system and maintenance of the GFMS. In this regard, the subsidiary charged the service fee from the Bank for the years ended December 31, 2021 and 2020 in the amount of Baht 131 million.

2) The Bank has undertaken management of student loans in terms of public relations, policies, regulations, loan methods, loan payments, document storage, notification of the debt amount, status of debt along with the receipt of repayment, debt collection, and litigation for the Student Loan Fund (SLF), for which the Bank has assigned Krungthai Law Co., Ltd. to file a lawsuit against the debtor of the SLF on behalf of the Bank. The Bank paid fees for the years ended December 31, 2021 and 2020 in the amounts of Baht 21 million and Baht 165 million, respectively.

3) The Bank has assigned KTB General Services and Security Co., Ltd. to be a transportation service provider of cash, foreign currency, foreign debt instruments, financial instruments, and/or the Bank's assets, as well as providing management services for the Bank's training center, premises management, and other services. The Bank paid service fees for the years ended December 31, 2021 and 2020 in the amounts of Baht 2,265 million and Baht 2,317 million, respectively.



4) The Bank has assigned Infinitas by Krungthai Co., Ltd. to provide innovation consulting services and digital solutions, including management and application of information technology in various forms, to respond to the Bank's strategies. The company charged the service fee according to the cost plus for the year ended December 31, 2021, in the amount of Baht 37 million.

The Bank has entered into a supporting service agreement with Infinitas by Krungthai Co., Ltd., whereby the Bank charges service fees based on the rate agreed in the agreement. The Bank earned income from the services for the year ended December 31, 2021, in the amount of Baht 39 million.

5) The Bank had income from service fees under agreements with its subsidiaries for the years ended December 31, 2021 and 2020, in the amounts of Baht 1,290 million and Baht 1,052 million, respectively.

6) The Bank received rental income from its subsidiary's lease of space based on the rates agreed between the parties for the years ended December 31, 2021 and 2020, in the amounts of Baht 2 million and Baht 3 million, respectively.

#### o Related Party Charges

Income and expenses of the Bank with its subsidiaries are paid at the agreed rate by specifying the amount in the agreements. In some cases, the amounts are paid according to the cost-plus system. Transactions between the Bank and its subsidiaries in the consolidated financial statements have been derecognized.

#### Associated Companies

The Bank had income from supporting service fees under the supporting service agreements according to the agreed rates for the years ended December 31, 2021 and 2020, in the amounts of Baht 2,455 million and Baht 2,426 million, respectively.

### 9.2.2 Necessity and Reasonableness of Related-Party Transactions

Related party transactions or connected transactions conducted in 2021 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. However, the Bank has considered those related party transactions between the Bank or subsidiaries and related 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.

#### o 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 Compliance and Legal Management Group" 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

# 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 2021, and the related consolidated statements of 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 2021, 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 as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 2021, the Group had loans to customers of Baht 2,628,963 million (representing 74 percent of total assets) and allowances for expected credit losses amounting to Baht 173,322 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 2021, the Group recognised interest income on loans to customers amounting to Baht 97,932 million (representing 85 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 instrument 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:

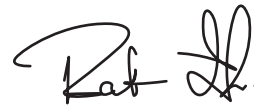
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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: 23 February 2022

## Part 3 Financial Statements

# KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Assets					
Cash	8.1	63,543,939	68,161,357	63,515,240	68,115,583
Interbank and money market items - net	8.3	469,216,499	516,791,903	468,832,143	516,320,956
Financial assets measured at fair value through profit or loss	8.4	18,038,574	13,723,789	18,306,692	14,188,472
Derivatives assets	8.5	52,659,994	74,506,773	52,659,994	74,506,773
Investments - net	8.6	342,041,937	316,987,630	342,121,904	316,894,505
Investments in subsidiaries and associated companies - net	8.7	21,974,786	29,400,185	11,042,216	11,203,675
Loans to customers and accrued interest receivables - net	8.8	2,476,219,848	2,200,513,321	2,401,462,429	2,127,089,495
Properties for sale - net	8.10	39,226,941	32,659,270	39,183,154	32,569,053
Land, premises and equipment - net	8.11	31,518,477	24,762,212	28,639,090	21,899,006
Right-of-use assets - net	8.12.1	4,271,626	4,474,111	3,486,000	3,571,005
Other intangible assets - net	8.13	10,846,341	6,005,144	9,264,125	3,893,939
Deferred tax assets	8.14.1	4,788,684	5,880,565	2,254,205	3,560,552
Accrued income		2,290,835	2,598,857	1,998,823	2,070,343
Other assets - net	8.15	20,105,960	31,315,152	20,156,182	31,103,526
Total assets		3,556,744,441	3,327,780,269	3,462,922,197	3,226,986,883

The accompanying notes are an integral part of the financial statements.



(Krisada Chinavicharana)  
Chairman



(Payong Srivanich)  
President

# KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Liabilities and equity					
Deposits	8.16	2,614,747,357	2,463,225,282	2,619,065,923	2,466,780,410
Interbank and money market items	8.17	296,344,379	274,566,462	292,398,188	268,424,903
Liabilities payable on demand		4,210,129	4,731,953	4,210,129	4,731,953
Derivatives liabilities	8.5	50,549,723	65,471,404	50,549,723	65,471,404
Debt issued and borrowings	8.18	133,817,209	86,564,198	91,391,660	44,292,498
Lease liabilities	8.12.2	4,276,620	4,503,684	3,448,570	3,528,830
Provisions	8.19	20,364,076	20,286,873	18,837,191	18,740,381
Other liabilities	8.20	58,323,508	53,366,819	51,286,436	46,041,249
Total liabilities		3,182,633,001	2,972,716,675	3,131,187,820	2,918,011,628
Equity					
Share capital	8.21				
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 subsidiary		(659,694)	(165,255)	-	-
Other components of equity	8.22	30,526,362	32,179,036	24,230,287	17,789,287
Retained earnings					
Appropriated					
Legal reserve	8.23	7,200,504	7,200,504	7,200,504	7,200,504
Unappropriated		230,146,946	211,412,693	207,464,812	191,146,690
Equity attributable to equity holders of the Bank		360,052,892	343,465,752	331,734,377	308,975,255
Non-controlling interests		14,058,548	11,597,842	-	-
Total equity		374,111,440	355,063,594	331,734,377	308,975,255
Total liabilities and equity		3,556,744,441	3,327,780,269	3,462,922,197	3,226,986,883

The accompanying notes are an integral part of the financial statements.



(Krisada Chinavicharana)  
Chairman



(Payong Srivanich)  
President

# KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Profit or loss</b>					
Interest income	8.30	104,831,989	112,836,857	90,667,094	97,894,144
Interest expenses	8.31	21,460,180	24,494,134	20,103,427	22,995,811
<b>Net interest income</b>		83,371,809	88,342,723	70,563,667	74,898,333
Fees and service income		28,309,731	27,690,138	21,550,648	21,557,134
Fees and service expenses		8,288,103	7,162,213	5,799,231	5,183,896
<b>Net fees and service income</b>	8.32	20,021,628	20,527,925	15,751,417	16,373,238
Gains on financial instruments measured at fair value through profit or loss	8.33	3,467,485	3,134,376	3,464,448	3,197,183
Gains on investments	8.34	710,835	950,926	1,098,143	941,257
Share of profit from investments accounted for under equity method		1,046,430	2,060,328	-	-
Dividend income		379,054	375,896	2,941,351	2,348,887
Other operating income		6,788,500	6,855,249	3,528,494	3,705,785
<b>Total operating income</b>		115,785,741	122,247,423	97,347,520	101,464,683
<b>Other operating expenses</b>					
Employee's expenses		27,310,946	28,466,296	21,851,404	22,993,299
Directors' remuneration		323,702	298,069	46,725	68,198
Premises and equipment expenses		9,016,846	8,895,416	5,065,814	5,306,832
Taxes and duties		3,914,775	3,797,471	3,347,799	3,297,985
Impairment losses of properties for sale		2,084,358	1,538,442	2,066,281	1,541,377
Others		10,079,880	10,469,150	14,071,252	13,753,189
<b>Total other operating expenses</b>		52,730,507	53,464,844	46,449,275	46,960,880
Expected credit losses	8.35	32,523,779	44,902,881	27,066,079	38,427,695
<b>Profit before income tax</b>		30,531,455	23,879,698	23,832,166	16,076,108
Income tax	8.14.2	5,975,429	4,440,733	4,395,019	2,784,097
<b>Profit for the year</b>		24,556,026	19,438,965	19,437,147	13,292,011
<b>Other comprehensive income (loss)</b>					
<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		(2,258,487)	894,894	(2,259,644)	905,210

The accompanying notes are an integral part of the financial statements.


(Krisada Chinavicharana)  
Chairman

(Payong Srivanich)  
President



# KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2021

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

Note	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Other comprehensive income (loss) (continued)</b>				
Gains (losses) arising from translating the financial statements of foreign operations	145,190	43,703	145,190	43,703
Gains (losses) on cash flow hedges	(3,267)	169,661	(3,267)	169,661
Gains (losses) from deferred cost of hedging	(134,961)	90,153	(134,961)	90,153
Share of other comprehensive income of associate (equity method) for items that will be reclassified subsequently to profit or loss	(9,138,508)	(1,555,420)	-	-
Income tax relating to other comprehensive income (loss) for items that will be reclassified subsequently to profit or loss	479,343	(239,549)	479,574	(241,612)
<i>Transactions that will never be reclassified subsequently to profit or loss</i>				
Changes in revaluation surplus on assets	7,295,301	-	7,295,301	-
Gains (losses) on investments in equity designated to be measured at fair value through other comprehensive income	3,123,831	(1,994,260)	3,123,831	(1,820,302)
Actuarial gains (losses) on defined benefit plan	854,822	(806,171)	756,946	(763,033)
Share of other comprehensive income of associate (equity method) for items that will never be reclassified subsequently to profit or loss	1,232,537	(1,204,144)	-	-
Income tax relating to other comprehensive income (losses) for items that will never be reclassified subsequently to profit or loss	(2,254,791)	525,144	(2,235,215)	516,517
<b>Other comprehensive income (loss) - net</b>	<b>(658,990)</b>	<b>(4,075,989)</b>	<b>7,167,755</b>	<b>(1,099,703)</b>
<b>Total comprehensive income (loss)</b>	<b>23,897,036</b>	<b>15,362,976</b>	<b>26,604,902</b>	<b>12,192,308</b>
<b>Total profit attributable to:</b>				
Equity holders of the Bank	21,588,290	16,731,585	19,437,147	13,292,011
Non-controlling interest	2,967,736	2,707,380		
	<b>24,556,026</b>	<b>19,438,965</b>		
<b>Total comprehensive income attributable</b>				
Equity holders of the Bank	20,927,359	12,641,748	26,604,902	12,192,308
Non-controlling interest	2,969,677	2,721,228		
	<b>23,897,036</b>	<b>15,362,976</b>		
<b>Earnings per share of the Bank</b>				
Basic earnings per share (Baht)	1.54	1.20	1.39	0.95

The accompanying notes are an integral part of the financial statements.



(Krisada Chinavicharana)  
Chairman



(Payong Srivanich)  
President

**KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2021

(Unit: Thousand Baht)

Consolidated financial statements													
Attributable to equity holder of the Bank													
	Issued and fully paid-up share capital	Premium on share capital	Deficit from the change in the ownership interest in subsidiary	Other components of equity						Total equity attributable to equity holders of the Bank	Non-controlling interests	Total	
				Surplus (deficit) on revaluation of assets	Surplus (deficit) on revaluation of investments	Gains (losses) from reclassification of investments	Hedge reserve (Note 8.5.2)	Gains (losses) from translating the financial statements	Share of other comprehensive income (losses) of associates				Retained earnings
Balance as at 1 January 2020	72,005,040	20,833,734	-	8,206,016	8,180,228	(1,877)	-	(115,736)	16,737,511	212,442,380	338,287,296	10,039,090	348,326,386
Cumulative effects of changes in accounting policies	-	-	-	-	2,129,230	1,877	(29,786)	-	129,137	1,019,741	3,250,199	-	3,250,199
Balance as at 1 January 2020 - as restate	72,005,040	20,833,734	-	8,206,016	10,309,458	-	(29,786)	(115,736)	16,866,648	213,462,121	341,537,495	10,039,090	351,576,585
Dividends (Note 8.24)	-	-	-	-	-	-	-	-	-	(10,528,965)	(10,528,965)	(1,150,528)	(11,679,493)
Change in the ownership interest in subsidiaries	-	-	(165,255)	-	-	-	-	-	-	169,746	4,491	(4,491)	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(7,457)	(7,457)
Surplus on revaluation of assets	-	-	-	417,694	-	-	-	-	-	-	417,694	-	417,694
Transfer to retained earnings	-	-	-	(44,206)	-	-	-	-	-	(562,505)	(606,711)	-	(606,711)
Total comprehensive income (loss)	-	-	-	-	(923,042)	-	207,850	43,704	(2,759,564)	16,072,800	12,641,748	2,721,228	15,362,976
Balance as at 31 December 2020	72,005,040	20,833,734	(165,255)	8,579,504	9,386,416	-	178,064	(72,032)	14,107,084	218,613,197	343,465,752	11,597,842	355,063,594
Balance as at 1 January 2021	72,005,040	20,833,734	(165,255)	8,579,504	9,386,416	-	178,064	(72,032)	14,107,084	218,613,197	343,465,752	11,597,842	355,063,594
Dividends (Note 8.24)	-	-	-	-	-	-	-	-	-	(3,845,779)	(3,845,779)	(1,150,410)	(4,996,189)
Change in the ownership interest in subsidiaries	-	-	(494,439)	-	-	-	-	-	-	-	(494,439)	494,439	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	147,000	147,000
Surplus on revaluation of assets	-	-	-	5,836,241	-	-	-	-	-	-	5,836,241	-	5,836,241
Transfer to retained earnings	-	-	-	(119,414)	(1,783)	-	-	-	(188,628)	309,825	-	-	-
Total comprehensive income (loss)	-	-	-	-	692,273	-	(110,582)	145,190	(7,905,971)	22,270,207	15,091,117	2,969,677	18,060,794
Balance as at 31 December 2021	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

The accompanying notes are an integral part of the financial statements.

18. *Quercus* L.

Chairman



(Payong Srivanich)  
President

# **KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES** **STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Separate financial statements							Retained earnings	Total
	Issued and fully paid-up share capital	Premium on share capital	Other components of equity						
			Surplus (deficit) on revaluation of assets	Surplus (deficit) on revaluation of investments	Gains (losses) from reclassification of investments	Hedge reserve (Note 8.5.2)	Gains (losses) from translating the financial statements		
Balance as at 1 January 2020	72,005,040	20,833,734	8,206,016	8,006,270	(1,877)	-	(115,736)	195,290,019	304,223,466
Cumulative effects of changes in accounting policies	-	-	-	2,129,230	1,877	(29,786)	-	860,349	2,961,670
Balance as at 1 January 2020 – as restate	72,005,040	20,833,734	8,206,016	10,135,500	-	(29,786)	(115,736)	196,150,368	307,185,136
Dividends payment (Note 8.24)	-	-	-	-	-	-	-	(10,528,965)	(10,528,965)
Surplus on revaluation of assets	-	-	126,776	-	-	-	-	-	126,776
Transfer to retained earnings	-	-	(44,206)	-	-	-	-	44,206	-
Total comprehensive income (loss)	-	-	-	(740,831)	-	207,850	43,704	12,681,585	12,192,308
Balance as at 31 December 2020	72,005,040	20,833,734	8,288,586	9,394,669	-	178,064	(72,032)	198,347,194	308,975,255
Balance as at 1 January 2021	72,005,040	20,833,734	8,288,586	9,394,669	-	178,064	(72,032)	198,347,194	308,975,255
Dividends payment (Note 8.24)	-	-	-	-	-	-	-	(3,845,779)	(3,845,779)
Surplus on revaluation of assets	-	-	5,836,241	-	-	-	-	-	5,836,241
Transfer to retained earnings	-	-	(119,414)	(1,783)	-	-	-	121,197	-
Total comprehensive income (loss)	-	-	-	691,348	-	(110,582)	145,190	20,042,704	20,768,660
Balance as at 31 December 2021	72,005,040	20,833,734	14,005,413	10,084,234	-	67,482	73,158	214,665,316	331,734,377

The accompanying notes are an integral part of the financial statements.



(Kriyada Chinavicharana)

Chairman



(Payong Srivanich)

President

# KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash flows from operating activities</b>				
Profit before income tax	30,531,455	23,879,698	23,832,166	16,076,108
Adjustments to reconcile profit before income tax to net cash received (paid) from operating activities:				
Depreciation and amortisation expenses	5,354,721	5,026,305	3,609,124	3,358,426
Expected credit losses	32,523,779	44,902,881	27,066,079	38,427,695
Share of profit from investments accounted for under equity method	(1,046,430)	(2,060,328)	-	-
(Gains) losses on disposal of assets	2,224	5,830	(187)	386
(Gains) losses on disposal of investments	(710,835)	(950,926)	(511,674)	(950,926)
Unrealised (gains) losses on financial instruments measured at fair value through profit or loss	3,695,955	(1,642,048)	3,698,991	(1,704,855)
(Reversal) losses on impairment of properties for sale	2,084,358	1,538,442	2,066,281	1,541,377
(Reversal) losses on impairment of investment	-	-	(586,469)	9,669
(Reversal) losses on impairment of premises and equipment	(17,828)	-	(17,828)	-
(Reversal) losses on impairment of other assets	224,354	423,858	215,704	423,858
Amortisation of premium (discount) on investments	455,086	405,064	452,404	400,015
(Gains) losses on foreign currency translation	657,745	(2,294,508)	657,745	(2,294,508)
Increase (decrease) in provisions	2,392,578	1,305,238	2,193,056	1,131,291
(Increase) decrease in other accrued income	25,086	(748,321)	(211,417)	(513,822)
Increase (decrease) in other accrued expenses	1,784,770	(698,785)	221,007	145,172
	77,957,018	69,092,400	62,684,982	56,049,886
Net interest income	(83,371,809)	(88,342,723)	(70,563,667)	(74,898,333)
Dividend income	(379,054)	(375,896)	(2,941,351)	(2,348,887)
Proceeds from interest income	100,753,313	96,554,129	86,633,845	87,803,944
Cash paid on interest expenses	(21,222,817)	(27,674,972)	(19,810,503)	(26,166,611)
Proceeds from dividend income	948,070	658,286	2,941,938	2,348,436
Cash refunded for income tax	149,134	160,204	6,382	-
Cash paid on income tax expenses	(5,042,300)	(6,125,782)	(3,443,439)	(4,805,033)
<b>Income from operating activities before changes in operating assets and liabilities</b>	<b>69,791,555</b>	<b>43,945,646</b>	<b>55,508,187</b>	<b>37,983,402</b>
(Increase) decrease in operating assets				
Interbank and money market items	48,009,107	(179,596,485)	47,922,301	(179,621,960)
Financial assets measured at fair value through profit or loss	(4,443,497)	39,244,132	(4,249,968)	38,842,255
Derivatives assets	18,364,637	(12,358,244)	18,364,637	(12,358,201)
Loans to customers	(305,946,088)	(268,493,752)	(299,200,429)	(270,687,453)
Properties for sale	3,413,169	6,292,961	3,280,448	6,250,115
Other assets	566,041	(8,934,734)	495,339	(8,873,887)

The accompanying notes are an integral part of the financial statements.



(Krisada Chinavicharana)  
Chairman



(Payong Srivanich)  
President

# KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash flows from operating activities (continued)</b>				
Increase (decrease) in operating liabilities				
Deposits	151,522,075	307,360,296	152,285,513	308,320,467
Interbank and money market items	21,858,948	58,642,059	24,054,316	60,083,053
Liabilities payable on demand	(521,824)	(12,301)	(521,824)	(12,301)
Derivatives liabilities	(15,059,908)	13,730,719	(15,059,908)	13,730,719
Other liabilities	(1,278,369)	4,410,562	1,002,580	4,611,189
<b>Net cash provided by (used in) operating activities</b>	<b>(13,724,154)</b>	<b>4,230,859</b>	<b>(16,118,808)</b>	<b>(1,732,602)</b>
<b>Cash flows from investing activities</b>				
Purchase of debt and equity securities measured at fair value through other comprehensive income	(161,396,728)	(185,120,810)	(161,730,728)	(184,969,210)
Proceeds from disposal of debt and equity securities measured at fair value through other comprehensive income	139,432,525	211,772,115	139,432,567	211,057,548
Purchase of debt securities measured at amortised cost	(2,264,851)	(2,155,981)	(746,654)	(512,171)
Proceeds from disposal of debt instruments measured at amortised cost	2,402,709	1,487,444	1,047,327	633,970
Purchase of investments in subsidiaries/associates	(2,571)	(635)	(2,571)	(383,331)
Proceeds from disposal of investments in subsidiaries/associates	-	-	551,338	-
Purchase of intangible assets	(4,974,184)	(2,963,389)	(4,958,044)	(2,734,296)
Purchase of land, premises and equipment	(1,273,952)	(2,893,044)	(625,943)	(1,854,403)
Proceeds from disposal of land, premises and equipment	643	10,386	467	6,793
Purchase shares from non-controlling interests	-	(169,746)	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>(28,076,409)</b>	<b>19,966,340</b>	<b>(27,032,241)</b>	<b>21,244,900</b>
<b>Cash flows from financing activities</b>				
Proceeds from debt issued and borrowings	53,309,324	3,970,745	44,278,434	470,745
Repayments of debt issued and borrowings	(9,037,075)	(14,540,345)	(117,875)	(7,793,645)
Repayments of lease liabilities	(2,385,105)	(2,264,173)	(1,909,264)	(1,950,339)
Dividend paid for ordinary share	(3,843,417)	(10,523,974)	(3,843,417)	(10,523,974)
Dividend paid for preferred share	(2,362)	(4,991)	(2,362)	(4,991)
Dividend paid to non-controlling interests	(1,150,410)	(1,150,528)	-	-
Increase in non-controlling interests	147,000	-	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>37,037,955</b>	<b>(24,513,266)</b>	<b>38,405,516</b>	<b>(19,802,204)</b>
Gains from translating the financial statements of foreign operations	145,190	43,703	145,190	43,703
<b>Decrease in cash and cash equivalents</b>	<b>(4,617,418)</b>	<b>(272,364)</b>	<b>(4,600,343)</b>	<b>(246,203)</b>
Beginning balance of cash and cash equivalents	68,161,357	68,433,721	68,115,583	68,361,786
<b>Ending balance of cash and cash equivalents</b>	<b>63,543,939</b>	<b>68,161,357</b>	<b>63,515,240</b>	<b>68,115,583</b>

The accompanying notes are an integral part of the financial statements.



(Krisada Chinavicharana)  
Chairman



(Payong Srivanich)  
President



## Part 3 Financial Statements

# Krung Thai Bank Public Company Limited and its subsidiaries

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For the year ended 31 December 2021

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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 2021

### 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 generally accepted accounting principles, 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 2021 and 2020 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 has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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.

However, the Bank has adopted the temporary exemptions from applying specific hedge accounting requirements in accordance with TFRS 9 Financial Instruments and TFRS 7 Disclosure of Financial Instruments, which apply to all hedging relationships directly affected by interest rate benchmark reform. Consequently, the Bank can continue to apply hedge accounting for those hedging relationships in the period when there is uncertainty about the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

The adoption of these temporary exemptions does not have any significant impact on the Bank's financial statements.

### 3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

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 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Bank and its subsidiaries is currently evaluating the impact of these financial reporting standards to the financial statements in the year when they are adopted.

### 3.3 Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the Bank of Thailand No. BOT.RPD.(23)C. 276/2563 “Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy” and the circular of the Bank of Thailand No. BOT.RPD.(01)C. 380/2563 “Measures to provide additional assistance to debtors during the COVID-19 situation” or any other measures announced by the Bank of Thailand. Such entities include credit card businesses, businesses providing loans secured against vehicle registrations without collateral, personal loan businesses under the supervision of the Bank of Thailand and certain entities not under the supervision of the Bank of Thailand, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses. Entities providing assistance to debtors in accordance with the Bank of Thailand’s measures and electing to apply this Accounting Guidance to apply all temporary relief measures specified in this guidance.



The Accounting Guidance is effective for entities providing assistance to debtors impacted by situations that affect the Thai economy during the period from 1 January 2020 to 31 December 2021 or until the Bank of Thailand makes changes, with which the entities are to comply. The guidance applies to large debtors, small- and medium-sized debtors, and retail debtors who have the ability to run a business or to pay debts in the future and who have been impacted directly or indirectly by such situations, considering the following guidelines.

- Debtors who were not yet non-performing (Stage 1 or Stage 2) on or after 1 January 2020
- Debtors who became non-performing (Stage 3) on or after 1 January 2019, unless the entity is able to prove that the debtors becoming non-performing before 1 January 2019 are non-performing loans affected by the economic conditions

An entity provides assistance to affected debtors in accordance with the Bank of Thailand's guidelines applies these following procedures.

- Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1), provided that analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement without compliance monitoring and the debt restructuring is considered a pre-emptive debt restructuring rather than a troubled debt restructuring. If it is a provision of assistance to debtors in accordance with the circular of the Bank of Thailand No. BOT.RPD.(01)C. 380/2563, classification of the debtor remains at the same stage as before.
- Non-performing loans (NPL) are classified as performing loans if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or 3-installments consecutively, whichever is the longer period.
- Additional working capital loans provided to a debtor in order to increase liquidity and enable the debtor to continue its business operations during the debt restructuring are classified by account level if the debtor has cash flows to support repayment or if, considering other factors, the debtor has the ability to pay the debt.
- The guidelines specified in the appendix of the circular of the Bank of Thailand relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is to move to Stage 2.
- Expected credit losses are determined based on the outstanding balance of the drawn down portion only.

- A newly calculated effective interest rate is applied to determine the present value of loans that have been restructured in accordance with guidelines to assist debtors specified in the circulars of the Bank of Thailand, if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan. In addition, provided that the provision of assistance is in compliance with the circular of the Bank of Thailand No. BOT.RPD.(01)C. 380/2563, an entity recognises interest income on the basis of this new effective interest rate during the grace period, or in accordance with the Bank of Thailand's new guidelines if there are changes.
- Consideration is given to placing less weight on forward-looking information that is the result of the temporary crisis than on information reflecting ability of debt payment from historical experience, in cases where a general approach is used in determining expected credit losses.

### 3.4 Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19 that will become effective for fiscal years beginning on or after 1 January 2022

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 the measures to assist debtors specified in the circular of the Bank of Thailand No. BOT.RPD2.C. 802/2564 "Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)" or any other measures announced by the Bank of Thailand. Such entities include credit card businesses, businesses providing loans secured against vehicle registrations without collateral, personal loan businesses under the supervision of the Bank of Thailand and certain entities not under the supervision of the Bank of Thailand, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses.

The accounting guidance is effective for entities that provide assistance to debtors impacted by COVID-19 during the period from 1 January 2022 to 31 December 2023 or until the Bank of Thailand makes changes with which the entities are to comply. The guidance applies to the staging assessment and setting aside of provisions for qualified debtors, and covers all types of debtors, namely large debtors, small- and medium-sized debtors and retail debtors.

- a) In cases of debt restructuring for the purpose of reducing the debt burden of debtors that involve more than just extending the payment timeline, the applicable procedures are as follows:
- Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1) without compliance monitoring, provided that the payment terms and conditions are clearly stated in the debt restructuring agreement and the debtor is considered able to comply with the debt restructuring agreement.
  - Non-performing loans (NPL) are classified as performing loans or Stage 1 if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period.
  - Additional loans provided to a debtor for use as additional working capital or to increase liquidity to enable the debtor to continue its business operations during the debt restructuring are classified as performing loans or Stage 1 if the debtor is considered able to comply with the debt restructuring agreement.
  - Loans are classified as loans that there has been a significant increase in credit risk (Under-performing or Stage 2) when principal or interest payments are more than 30 days past due or 1 month past due.
  - A new effective interest rate is applied to determine the present value of loans that have been restructured if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan.
- b) In cases of the debt restructuring involving only the payment timeline extension, the applicable procedures are as follows:
- The staging assessment and setting aside of provisions are performed in accordance with the relevant financial reporting standards.
  - The guidelines specified in the appendix of the circular of the Bank of Thailand No. BOT.RPD2.C. 802/2564 “Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)” relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is to move to under-performing stage or Stage 2.

- c) Expected credit losses are determined based on the outstanding balance of the drawn down portion only. No expected credit loss is calculated for unused credit lines.
- d) For retail debtors and SME debtors, who are in the process of debt restructuring and unable to complete the process by 31 December 2021 in accordance with guidelines specified in the circular of the Bank of Thailand No. BOT.RPD2.C. 594/2564 “Guidelines regarding the debt restructuring to assist the debtors affected by COVID- 19” , classification of the debtors remains at the same stage as before restructuring until 31 March 2022 or until the Bank of Thailand makes changes with which the entities are to comply.

For the debtors whose debt is restructured between 1 January 2021 and 31 December 2021, in accordance with the above clauses no. a) and b), the guidelines on staging assessment and provisioning under this accounting guidance apply from 1 January 2022 to 31 December 2023. However, for the year 2021, entities can still apply the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy.

## 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.

#### 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.

### Service expenses, and other operating expenses

The Bank and its subsidiaries recognise 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.

### 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 recognise the movement in fair value 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 instruments 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 time between hedged items and hedging instruments.

The Bank adopts foreign currency forward contract and foreign currency swap contract to hedge risk from changes in fair value of foreign exchange rate risk of 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 time 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 the statement of 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 the statement of 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 the statement of comprehensive income. The cash flow hedges reserve in equity are transferred to the statement of comprehensive income in the period(s) in which the hedged item affects the statement of 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 debt securities investments 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 time 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 the statement of comprehensive income when the forecast transaction is ultimately recognised in the statement of 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 the statement of 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 propose 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 criterial 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 as gains or losses in income statement. 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.

- 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.

#### Investment in equity instruments

The Bank and its subsidiaries have classified investment 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. Dividends on these investments are recognised in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

#### Financial liabilities

The Bank and its subsidiaries classify financial liabilities as measured at amortised cost. Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost.

## **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 impairment 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 impairment 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 part of profit or loss in the statements of 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 net income from the operations 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 investment in debt securities measured at fair value through other comprehensive income, the Bank and its subsidiaries recognise impairment charge 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 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 statements of 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 Bank of Thailand'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.

### Accounting policy for troubled debt restructuring debtors impacted by the COVID-19 pandemic that the Bank provides assistance

The Bank has adopted the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy, applicable to assistance provided between 1 January 2020 and 31 December 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The substance of the accounting guidance can be summarised 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 or Stage 1) 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 or Stage 1) 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.

The Bank continue to closely monitor the debtors payment ability, and have 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 the statement of comprehensive income. Net gains or losses on disposals of those properties for sale after deducting selling expenses are recognised as other operating income in the statement of 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.4/2564, 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 years 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 expert 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 the Bank's 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).

The Bank and its subsidiaries amortised 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 expenses in the statements of 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 applied 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 includes 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 discounted the present value of the lease payments by the interest rate implicit in the lease or the Bank and its subsidiaries' 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 recognised 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 the statements of profit or loss and other comprehensive income. 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 Bank of Thailand (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 the statements of 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 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 (losses).

## 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 “Derivative” 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:

- The economic characteristics and risks are not closely related to the host;
- A separated embedded derivative from the host would meet the definition of derivative; and
- 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 Benefit

### *Short-term employee benefits*

The Bank and its subsidiaries recognised 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 established 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 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 a 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 time. 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 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 classified as doubtful of loss with 100 percent provision; 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 loan classification 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 2021 and 2020, the maximum exposure to credit risk are as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	31 December 2021	31 December 2020
Interbank and money market items (assets)	471,500	519,529
Investments in debt securities measured at amortised cost	1,645	1,787
Investments in debt securities measured at fair value through other comprehensive income	322,190	300,505
Loans to customers and accrued interest receivables	2,649,542	2,351,041
Accrued interest receivables of non-loans to customers	756	1,038
Total financial assets	3,445,633	3,173,900
Loan commitments	1,289,413	1,320,320
Financial guarantee contracts	97,612	48,928
Total	1,387,025	1,369,248
Total maximum exposure to credit risk	4,832,658	4,543,148

(Unit: Million Baht)

	Separate financial statements	
	31 December 2021	31 December 2020
Interbank and money market items (assets)	471,116	519,058
Investments in debt securities measured at amortised cost	641	942
Investments in debt securities measured at fair value through other comprehensive income	323,276	301,259
Loans to customers and accrued interest receivables	2,565,113	2,267,679
Accrued interest receivables of non-loans to customers	756	1,038
Total financial assets	3,360,902	3,089,976
Loan commitments	1,289,413	1,320,320
Financial guarantee contracts	97,612	48,928
Total	1,387,025	1,369,248
Total maximum exposure to credit risk	4,747,927	4,459,224

## 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 2021					
	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
<b>Interbank and money market items (assets)</b>					
Investment grade	42,765	485	-	-	43,250
Non-investment grade	-	5,286	-	-	5,286
Not yet due	422,255	454	-	-	422,709
Overdue 1 - 30 days	255	-	-	-	255
Total	465,275	6,225	-	-	471,500
<u>Less</u> Allowance for expected credit losses	(2,198)	(86)	-	-	(2,284)
Net book value	463,077	6,139	-	-	469,216
<b>Investments in debt securities measured at amortised cost</b>					
Investment grade	1,167	-	-	-	1,167
Non-investment grade	-	442	36	-	478
Total	1,167	442	36	-	1,645
<u>Less</u> Allowance for expected credit losses	-	(10)	(36)	-	(46)
Net book value	1,167	432	-	-	1,599

(Unit: Million Baht)

Consolidated financial statements					
31 December 2021					
	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
<b>Investments in debt securities measured at fair value through other comprehensive income</b>					
Investment grade	322,190	-	-	-	322,190
Total	322,190	-	-	-	322,190
Allowance for expected credit losses	(34)	-	(926)	-	(960)
<b>Loans to customers and accrued interest receivables - net</b>					
Not yet due	1,920,982	189,409	12,589	878	2,123,858
Overdue 1 - 30 days	384,696	26,057	2,433	450	413,636
Overdue 31 - 60 days	-	9,139	941	76	10,156
Overdue 61 - 90 days	-	2,795	828	59	3,682
More than 90 days	800	1,043	94,631	1,736	98,210
Total	2,306,478	228,443	111,422	3,199	2,649,542
<u>Less</u> Allowance for expected credit losses	(44,722)	(48,923)	(77,334)	(2,343)	(173,322)
Net book value	2,261,756	179,520	34,088	856	2,476,220
<b>Loan commitments</b>					
Loan commitments	1,168,564	114,630	6,219	-	1,289,413
<u>Less</u> Allowance for expected credit losses	(1,792)	(1,897)	(503)	-	(4,192)
Net book value	1,166,772	112,733	5,716	-	1,285,221
<b>Financial guarantee contracts</b>					
Financial guarantee contracts	91,564	5,897	151	-	97,612
<u>Less</u> Allowance for expected credit losses	(153)	(347)	(13)	-	(513)
Net book value	91,411	5,550	138	-	97,099



(Unit: Million Baht)

Consolidated financial statements					
31 December 2020					
	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
<b>Interbank and money market items (assets)</b>					
Investment grade	39,946	53	-	25	40,024
Non-investment grade	-	4,794	-	-	4,794
Not yet due	473,633	1,078	-	-	474,711
Total	513,579	5,925	-	25	519,529
<u>Less</u> Allowance for expected credit losses	(2,568)	(169)	-	-	(2,737)
Net book value	511,011	5,756	-	25	516,792
<b>Investments in debt securities measured at amortised cost</b>					
Investment grade	1,401	-	-	-	1,401
Non-investment grade	-	350	36	-	386
Total	1,401	350	36	-	1,787
<u>Less</u> Allowance for expected credit losses	(1)	(10)	(36)	-	(47)
Net book value	1,400	340	-	-	1,740
<b>Investments in debt securities measured at fair value through other comprehensive income</b>					
Investment grade	300,505	-	-	-	300,505
Total	300,505	-	-	-	300,505
Allowance for expected credit losses	(42)	-	(926)	-	(968)

(Unit: Million Baht)

Consolidated financial statements					
31 December 2020					
	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
<b>Loans to customers and accrued interest receivables - net</b>					
Not yet due	1,650,474	176,005	5,143	2,027	1,833,649
Overdue 1 - 30 days	362,312	17,387	1,268	385	381,352
Overdue 31 - 60 days	11	14,196	3,565	40	17,812
Overdue 61 - 90 days	22	15,058	523	19	15,622
More than 90 days	556	855	98,908	2,287	102,606
Total	2,013,375	223,501	109,407	4,758	2,351,041
<u>Less</u> Allowance for expected credit losses	(32,093)	(41,627)	(74,204)	(2,604)	(150,528)
Net book value	1,981,282	181,874	35,203	2,154	2,200,513
<b>Loan commitments</b>					
Loan commitments	1,216,783	95,448	8,089	-	1,320,320
<u>Less</u> Allowance for expected credit losses	(910)	(2,357)	(858)	-	(4,125)
Net book value	1,215,873	93,091	7,231	-	1,316,195
<b>Financial guarantee contracts</b>					
Financial guarantee contracts	43,942	4,822	164	-	48,928
<u>Less</u> Allowance for expected credit losses	(117)	(334)	(12)	-	(463)
Net book value	43,825	4,488	152	-	48,465

(Unit: Million Baht)

	Separate financial statements		
	31 December 2021		
	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
<b>Interbank and money market items (assets)</b>			
Investment grade	42,381	485	-
Non-investment grade	-	5,286	-
Not yet due	422,255	454	-
Overdue 1 - 30 days	255	-	-
Total	464,891	6,225	-
<u>Less</u> Allowance for expected credit losses	(2,198)	(86)	-
Net book value	462,693	6,139	-
<b>Investments in debt securities measured at amortised cost</b>			
Investment grade	163	-	-
Non-investment grade	-	442	36
Total	163	442	36
<u>Less</u> Allowance for expected credit losses	-	(10)	(36)
Net book value	163	432	-
<b>Investments in debt securities measured at fair value through other comprehensive income</b>			
Investment grade	323,276	-	-
Total	323,276	-	-
Allowance for expected credit losses	(34)	-	(926)

(960)

(Unit: Million Baht)

	Separate financial statements			
	31 December 2021			
	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
<b>Loans to customers and accrued interest receivables - net</b>				
Not yet due	1,853,438	182,124	12,589	2,048,151
Overdue 1 - 30 days	383,834	24,880	2,433	411,147
Overdue 31 - 60 days	-	8,449	941	9,390
Overdue 61 - 90 days	-	2,568	828	3,396
More than 90 days	-	-	93,029	93,029
Total	2,237,272	218,021	109,820	2,565,113
<u>Less</u> Allowance for expected credit losses	(40,824)	(46,558)	(76,268)	(163,650)
Net book value	2,196,448	171,463	33,552	2,401,463
<b>Loan commitments</b>				
Loan commitments	1,168,564	114,630	6,219	1,289,413
<u>Less</u> Allowance for expected credit losses	(1,792)	(1,897)	(503)	(4,192)
Net book value	1,166,772	112,733	5,716	1,285,221
<b>Financial guarantee contracts</b>				
Financial guarantee contracts	91,564	5,897	151	97,612
<u>Less</u> Allowance for expected credit losses	(153)	(347)	(13)	(513)
Net book value	91,411	5,550	138	97,099

(Unit: Million Baht)

Separate financial statements				
31 December 2020				
	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
<b>Interbank and money market items (assets)</b>				
Investment grade	39,500	53	-	39,553
Non-investment grade	-	4,794	-	4,794
Not yet due	473,633	1,078	-	474,711
Total	513,133	5,925	-	519,058
<u>Less</u> Allowance for expected credit losses	(2,568)	(169)	-	(2,737)
Net book value	510,565	5,756	-	516,321
<b>Investments in debt securities measured at amortised cost</b>				
Investment grade	556	-	-	556
Non-investment grade	-	350	36	386
Total	556	350	36	942
<u>Less</u> Allowance for expected credit losses	(1)	(10)	(36)	(47)
Net book value	555	340	-	895
<b>Investments in debt securities measured at fair value through other comprehensive income</b>				
Investment grade	301,259	-	-	301,259
Total	301,259	-	-	301,259
Allowance for expected credit losses	(42)	-	(926)	(968)

(Unit: Million Baht)

	Separate financial statements			
	31 December 2020			
	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
<b>Loans to customers and accrued interest receivables - net</b>				
Not yet due	1,586,211	168,330	5,143	1,759,684
Overdue 1 - 30 days	361,232	15,976	1,268	378,476
Overdue 31 - 60 days	-	13,384	3,565	16,949
Overdue 61 - 90 days	-	14,741	523	15,264
More than 90 days	-	-	97,306	97,306
Total	1,947,443	212,431	107,805	2,267,679
<u>Less</u> Allowance for expected credit losses	(28,249)	(39,183)	(73,158)	(140,590)
Net book value	1,919,194	173,248	34,647	2,127,089
<b>Loan commitments</b>				
Loan commitments	1,216,783	95,448	8,089	1,320,320
<u>Less</u> Allowance for expected credit losses	(910)	(2,357)	(858)	(4,125)
Net book value	1,215,873	93,091	7,231	1,316,195
<b>Financial guarantee contracts</b>				
Financial guarantee contracts	43,942	4,822	164	48,928
<u>Less</u> Allowance for expected credit losses	(117)	(334)	(12)	(463)
Net book value	43,825	4,488	152	48,465



### 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
	31 December 2021	31 December 2020	major collateral
Interbank and money market items (assets)	383,413	449,876	Bonds
Loans to customers and accrued interest receivables	1,671,685	1,589,418	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 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.

As at 31 December 2021 and 2020, 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 2021						
	At call to	1 - 3	3 - 12	Over	Non-	Non-	
	1 month	months	months	1 year	interest	performing	Total
					bearing	transaction	
Financial assets							
Cash	-	-	-	-	63,544	-	63,544
Interbank and money market items	392,239	20,056	14,424	131	44,568	-	471,418
Investments	20,218	101,064	73,528	128,989	18,253	36	342,088
Loans to customers	1,619,072	394,944	397,356	87,682	23,143	106,766	2,628,963
Total financial assets	2,031,529	516,064	485,308	216,802	149,508	106,802	3,506,013
Financial liabilities							
Deposits	2,149,972	124,080	184,170	32,402	124,123	-	2,614,747
Interbank and money market items	185,719	24,901	34,673	44,854	6,197	-	296,344
Liabilities payable on demand	-	-	-	-	4,210	-	4,210
Debt issued and borrowings	-	4,604	7,717	118,930	2,566	-	133,817
Total financial liabilities	2,335,691	153,585	226,560	196,186	137,096	-	3,049,118

(Unit: Million Baht)

	Consolidated financial statements						
	31 December 2020						
	At call to	1 - 3	3 - 12	Over	Non-	Non-	
	1 month	months	months	1 year	interest	performing	Total
					bearing	transaction	
Financial assets							
Cash	-	-	-	-	68,161	-	68,161
Interbank and money market items	467,731	8,626	1,851	245	40,975	-	519,428
Investments	7,943	76,197	43,480	174,636	14,743	36	317,035
Loans to customers	1,414,740	301,386	427,590	61,114	22,644	107,368	2,334,842
Total financial assets	1,890,414	386,209	472,921	235,995	146,523	107,404	3,239,466
Financial liabilities							
Deposits	1,889,225	122,020	309,923	37,686	104,371	-	2,463,225
Interbank and money market items	179,848	43,441	6,983	38,194	6,100	-	274,566
Liabilities payable on demand	-	-	-	-	4,732	-	4,732
Debt issued and borrowings	-	2,268	6,275	78,021	-	-	86,564
Total financial liabilities	2,069,073	167,729	323,181	153,901	115,203	-	2,829,087

(Unit: Million Baht)

	Separate financial statements						
	31 December 2021						
	At call to	1 - 3	3 - 12	Over	Non-	Non-	
	1 month	months	months	1 year	interest	performing	Total
					bearing	transaction	
<b>Financial assets</b>							
Cash	-	-	-	-	63,515	-	63,515
Interbank and money market items	392,231	20,056	14,424	131	44,192	-	471,034
Investments	20,218	101,228	73,259	129,177	18,250	36	342,168
Loans to customers	1,625,121	329,265	395,573	86,203	5,534	103,425	2,545,121
Total financial assets	2,037,570	450,549	483,256	215,511	131,491	103,461	3,421,838
<b>Financial liabilities</b>							
Deposits	2,153,515	124,080	184,899	32,437	124,135	-	2,619,066
Interbank and money market items	181,773	24,901	34,673	44,854	6,197	-	292,398
Liabilities payable on demand	-	-	-	-	4,210	-	4,210
Debt issued and borrowings	-	3,982	-	84,844	2,566	-	91,392
Total financial liabilities	2,335,288	152,963	219,572	162,135	137,108	-	3,007,066

(Unit: Million Baht)

	Separate financial statements						
	31 December 2020						
	At call to	1 - 3	3 - 12	Over	Non-	Non-	
	1 month	months	months	1 year	interest	performing	Total
					bearing	transaction	
Financial assets							
Cash	-	-	-	-	68,116	-	68,116
Interbank and money market items	467,664	8,626	1,851	245	40,571	-	518,957
Investments	7,943	76,135	42,797	175,290	14,740	36	316,941
Loans to customers	1,425,332	233,886	425,923	58,690	4,937	103,254	2,252,022
Total financial assets	1,900,939	318,647	470,571	234,225	128,364	103,290	3,156,036
Financial liabilities							
Deposits	1,892,079	122,020	310,465	37,841	104,375	-	2,466,780
Interbank and money market items	173,706	43,441	6,983	38,194	6,101	-	268,425
Liabilities payable on demand	-	-	-	-	4,732	-	4,732
Debt issued and borrowings	-	-	-	44,293	-	-	44,293
Total financial liabilities	2,065,785	165,461	317,448	120,328	115,208	-	2,784,230

- 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 comprehensive income and the equity of the Bank by setting other variables constant.

The sensitivity of the statement of 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 date, 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 2021 and 2020 can be summarised as follows:

(Unit: Million Baht)				
Consolidated financial statements				
31 December 2021		31 December 2020		
Effect on		Effect on		
Profit or loss	Equity	Profit or loss	Equity	
Interest rate increase 1%	173	173	(94)	(94)
Interest rate decrease 1%	(11,628)	(11,628)	(9,777)	(9,777)

(Unit: Million Baht)				
Separate financial statements				
31 December 2021		31 December 2020		
Effect on		Effect on		
Profit or loss	Equity	Profit or loss	Equity	
Interest rate increase 1%	(282)	(282)	(370)	(370)
Interest rate decrease 1%	(11,173)	(11,173)	(9,501)	(9,501)

- Foreign exchange rate risk

Foreign exchange rate risk is the risk that foreign exchange rate volatility gives the adverse impact on income or capital 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 has foreign exchange transactions, resulting in risk from changes in foreign exchange rates. However, the Bank has policy to hedge foreign exchange rate risk by regularly following up the risk and controlling the risk to be contained within the risk ceiling that the Bank set.

Financial position of the Bank and its subsidiaries' foreign currency balances as at 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	31 December 2021			
	US Dollar	Euro	Yen	Others
<b><u>Foreign currency in the statement of financial position</u></b>				
Cash	1,301	391	132	561
Interbank and money market items	19,500	633	502	3,224
Derivative assets	905,975	132,036	44,362	22,638
Investments	21,430	5,779	27,974	4,275
Loans to customers	69,331	346	260	560
<b>Total assets</b>	<b>1,017,537</b>	<b>139,185</b>	<b>73,230</b>	<b>31,258</b>
Deposits	26,073	1,631	66	1,236
Interbank and money market items	32,365	488	-	1
Derivative liabilities	927,650	137,491	72,512	26,799
Debt issued and borrowings	44,705	-	-	-
<b>Total liabilities</b>	<b>1,030,793</b>	<b>139,610</b>	<b>72,578</b>	<b>28,036</b>
<b>Net</b>	<b>(13,256)</b>	<b>(425)</b>	<b>652</b>	<b>3,222</b>
<b><u>Foreign currency of commitments</u></b>				
Loan commitments	15,190	-	-	53
Liabilities under unmatured import bills	4,311	189	19	1
Letter of credit	28,425	2,384	806	1,298
Other commitments	15,862	3,127	13	114

(Unit: Million Baht)

Consolidated and separate financial statements				
31 December 2020				
	US Dollar	Euro	Yen	Others
<b><u>Foreign currency in the statement of financial position</u></b>				
Cash	542	295	78	383
Interbank and money market items	13,674	1,112	552	4,029
Derivative assets	757,092	118,450	44,372	16,304
Investments	15,095	1,721	18,021	2,265
Loans to customers	55,581	474	242	125
Total assets	841,984	122,052	63,265	23,106
Deposits	32,682	1,684	96	3,138
Interbank and money market items	8,781	271	-	58
Derivative liabilities	813,632	119,644	62,456	16,333
Total liabilities	855,095	121,599	62,552	19,529
Net	(13,111)	453	713	3,577
<b><u>Foreign currency of commitments</u></b>				
Loan commitments	40,690	-	-	105
Liabilities under unmatured import bills	1,735	138	2	4
Letter of credit	22,302	2,654	1,670	2,417
Other commitments	15,728	3,043	29	209

- **Foreign exchange rate sensitivity analysis**

Sensitivity analysis will quantify the impact from the potential changes in exchange rates on the statement of 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 2021 and 2020 can be summarised as follows:

(Unit: Million Baht)

Consolidated and separate financial statements				
31 December 2021		31 December 2020		
Effect of		Effect of		
Profit or loss	Equity	Profit or loss	Equity	
10% increase	(639)	(981)	(2,435)	(836)
10% decrease	639	981	2,435	836



- Equity price risk

The risk arising from changes of equity securities prices or stock market index giving an adverse impact on income or the financial assets value. 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.

### **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 funds 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, i.e. saving accounts, current accounts. The Bank's primary uses of funds are loans, which have maturity date longer than the deposits. Therefore, the Bank's liquidity risk stems from the inability to turn asset into cash or the ability to turn asset into cash at cost higher than acceptable level, which could affect to the Bank's income and capital fund at present and in the future.

Thus, the Bank has liquidity risk management process. The Bank set the indicator to control liquidity risk such as 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 maintaining sum of the average daily deposit balance at BOT and the average daily cash balance at the cash inventory management center 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](http://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 2021

Liquidity ratio

The Bank of Thailand specified 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 2021 and 2020, the Bank has deposits at the BOT and cash at the cash center of Baht 24,701 million and Baht 28,036 million, respectively.

	31 December 2021	31 December 2020
	(%)	(%)
<b>Sources of Funds</b>		
Deposits	73.52	74.02
Interbank and money market items (liabilities)	8.33	8.25
Debt issued and borrowings	3.76	2.60
Equity	10.52	10.67
<b>Uses of Funds</b>		
Loans to customers (net deferred revenue)	73.91	70.16
Interbank and money market items - net (assets)	13.19	15.53
Investments - net and investments in subsidiaries and associated companies - net	10.23	10.41

**Loans to deposits ratio**

	31 December 2021	31 December 2020
	(%)	(%)
Loans to deposits ratio (Consolidated financial statements)	100.54	94.79
Loans to deposits ratio (Separate financial statements)	97.18	91.29

On the consolidated financial statements as at 31 December 2021, the Bank has loans to deposits ratio of 100.54 percent which has increased from 94.79 percent as at 31 December 2020.

Loans to deposits ratio on the separate financial statements as at 31 December 2021 is 97.18 percent which has increased from 91.29 percent as at 31 December 2020. As a result, loans increased 13.01 percent and deposits increased 6.17 percent from the end of the year 2020.

These above ratios have no significant impact to the liquidities of the Bank and its subsidiaries.

As at 31 December 2021 and 2020, the Bank's significant financial assets and liabilities are classified by remaining maturity as follows:

(Unit: Million Baht)

Consolidated financial statements						
31 December 2021						
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Cash	-	-	-	-	63,544	63,544
Interbank and money market items	45,876	414,468	11,074	-	-	471,418
Financial assets measured at fair value through profit or loss	-	4,897	3,771	8,156	1,215	18,039
Derivative assets	-	20,594	20,270	11,796	-	52,660
Investments	36	160,708	136,247	26,844	18,253	342,088
Loans to customers	203,020	621,880	648,638	1,155,425	-	2,628,963
<b>Total financial assets</b>	<b>248,932</b>	<b>1,222,547</b>	<b>820,000</b>	<b>1,202,221</b>	<b>83,012</b>	<b>3,576,712</b>
<b>Financial liabilities</b>						
Deposits	2,203,101	380,225	21,187	10,234	-	2,614,747
Interbank and money market items	67,481	184,009	40,313	4,541	-	296,344
Derivative liabilities	-	20,956	20,332	9,262	-	50,550
Debt issued and borrowings	-	12,321	39,139	62,659	19,698	133,817
<b>Total financial liabilities</b>	<b>2,270,582</b>	<b>597,511</b>	<b>120,971</b>	<b>86,696</b>	<b>19,698</b>	<b>3,095,458</b>

(Unit: Million Baht)

Consolidated financial statements						
31 December 2020						
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Cash	-	-	-	-	68,161	68,161
Interbank and money market items	41,775	477,651	2	-	-	519,428
Financial assets measured at fair value through profit or loss	-	959	1,329	10,262	1,174	13,724
Derivative assets	-	29,447	28,197	16,863	-	74,507
Investments	36	51,869	224,627	25,760	14,743	317,035
Loans to customers	212,109	475,506	572,766	1,074,461	-	2,334,842
<b>Total financial assets</b>	<b>253,920</b>	<b>1,035,432</b>	<b>826,921</b>	<b>1,127,346</b>	<b>84,078</b>	<b>3,327,697</b>
<b>Financial liabilities</b>						
Deposits	1,930,454	513,786	18,985	-	-	2,463,225
Interbank and money market items	55,545	180,826	31,408	6,787	-	274,566
Derivative liabilities	-	25,358	25,581	14,532	-	65,471
Debt issued and borrowings	-	8,543	14,559	63,462	-	86,564
<b>Total financial liabilities</b>	<b>1,985,999</b>	<b>728,513</b>	<b>90,533</b>	<b>84,781</b>	<b>-</b>	<b>2,889,826</b>

(Unit: Million Baht)

Separate financial statements						
31 December 2021						
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Cash	-	-	-	-	63,515	63,515
Interbank and money market items	45,492	414,468	11,074	-	-	471,034
Financial assets measured at fair value through profit or loss	-	5,165	3,771	8,156	1,215	18,307
Derivative assets	-	20,594	20,270	11,796	-	52,660
Investments	36	160,602	136,361	26,919	18,250	342,168
Loans to customers	206,623	563,147	619,980	1,155,371	-	2,545,121
<b>Total financial assets</b>	<b>252,151</b>	<b>1,163,976</b>	<b>791,456</b>	<b>1,202,242</b>	<b>82,980</b>	<b>3,492,805</b>
<b>Financial liabilities</b>						
Deposits	2,206,656	380,954	21,222	10,234	-	2,619,066
Interbank and money market items	64,735	182,809	40,313	4,541	-	292,398
Derivative liabilities	-	20,956	20,332	9,262	-	50,550
Debt issued and borrowings	-	3,982	18,493	49,219	19,698	91,392
<b>Total financial liabilities</b>	<b>2,271,391</b>	<b>588,701</b>	<b>100,360</b>	<b>73,256</b>	<b>19,698</b>	<b>3,053,406</b>

(Unit: Million Baht)

Separate financial statements						
31 December 2020						
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Cash	-	-	-	-	68,116	68,116
Interbank and money market items	41,304	477,651	2	-	-	518,957
Financial assets measured at fair value through profit or loss	-	1,102	1,650	10,262	1,174	14,188
Derivative assets	-	29,447	28,197	16,863	-	74,507
Investments	36	51,124	225,283	25,758	14,740	316,941
Loans to customers	219,356	413,571	544,809	1,074,286	-	2,252,022
<b>Total financial assets</b>	<b>260,696</b>	<b>972,895</b>	<b>799,941</b>	<b>1,127,169</b>	<b>84,030</b>	<b>3,244,731</b>
<b>Financial liabilities</b>						
Deposits	1,933,312	514,328	19,140	-	-	2,466,780
Interbank and money market items	52,403	177,827	31,408	6,787	-	268,425
Derivative liabilities	-	25,358	25,581	14,532	-	65,471
Debt issued and borrowings	-	-	-	44,293	-	44,293
<b>Total financial liabilities</b>	<b>1,985,715</b>	<b>717,513</b>	<b>76,129</b>	<b>65,612</b>	<b>-</b>	<b>2,844,969</b>



## 7. Capital funds

As at 31 December 2021 and 2020, the Bank has calculated capital funds in accordance with the BOT's Basel III Framework. Since 2016, the BOT has required commercial banks that are registered in Thailand to maintain the additional common equity Tier 1 ratio that exceeds the minimum capital funds by more than 2.5 percent of total risk-weighted assets, by gradually increasing the excess over the minimum capital funds by 0.625 percent each year, beginning from 1 January 2016 until the full amount was maintained on 1 January 2019.

The BOT added a rule requiring those commercial banks that have been identified as commercial banks with systematic country risk to maintain an additional capital adequacy ratio equal to 0.5 percent of risk-weighted assets from 1 January 2019 and increasing in to be 1 percent of total risk-weighted assets from 1 January 2020 onwards.

### Capital adequacy ratios

	31 December 2021	31 December 2020
	More than %	More than %
Common equity Tier 1 ratio	8.00	8.00
Tier 1 capital fund ratio	9.50	9.50
Capital adequacy ratio	12.00	12.00

The capital fund and capital adequacy ratio information as at 31 December 2021, 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 2020, already submitted to the BOT, is as follows:

(Unit: Million Baht)

	Financial business group	
	31 December 2021	31 December 2020
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	219,611	205,207
Other components of equity	29,670	30,963
Capital deduction items on common equity Tier 1	(21,141)	(21,743)
Total common equity Tier1	328,180	314,467
Tier 1 capital funds - financial instruments	20,072	1,288
Total Tier 1 capital funds	348,252	315,755
Tier 2 capital funds		
Long-term subordinated debt	44,000	44,000
Allowance for assets classified as normal	23,296	22,349
Total Tier 2 capital funds	67,296	66,349
Total capital funds	415,548	382,104

(Unit: Million Baht)

	Separate financial statements	
	31 December 2021	31 December 2020
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	199,942	187,929
Other components of equity	23,461	16,661
Capital deduction items on common equity Tier 1	(14,405)	(10,947)
Total common equity Tier1	309,038	293,683
Tier 1 capital funds - financial instruments	18,647	-
Total tier 1 capital funds	327,685	293,683
Tier 2 capital funds		
Long-term subordinated debt	44,000	44,000
Allowance for assets classified as normal	22,310	21,332
Total Tier 2 capital funds	66,310	65,332
Total capital funds	393,995	359,015

## Capital adequacy ratio

	Financial business group		Separate financial statements	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(%)	(%)	(%)	(%)
Common equity Tier 1 ratio	15.89	15.73	15.60	15.35
Tier 1 capital fund ratio	16.86	15.79	16.54	15.35
Capital adequacy ratio	20.12	19.11	19.88	18.76

The Bank discloses information about the capital 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	<a href="http://www.krungthai.com">www.krungthai.com</a> > Investor Relations > Financial Information > Pillar III disclosures
Date of disclosure	Within 4 months after the end of reporting period.
Information as at	31 December 2021

## 8. Supplementary information

### 8.1 Supplementary information of cash flows

#### 8.1.1 Cash

Cash as at 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Cash	56,618	61,446	56,589	61,401
Cash received in advance from electronic money transactions and electronic money transfer services	6,926	6,715	6,926	6,715
Total	63,544	68,161	63,515	68,116

8.1.2 Significant non-cash items for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Increase (decrease) in revaluation surplus on investments measured at fair value through other comprehensive income - net of income tax expenses	692	(923)	691	(741)
Increase in right-of-use assets	2,304	3,237	2,033	2,321
Increase in properties for sale from loans repayment	1,723	1,277	1,723	1,277

## 8.1.3 Disclosures of related changes in liabilities from financing activities

(Unit: Million Baht)

Item	Consolidated financial statements			
	Cash flows from financing			
	1 January 2021	activities	Non-cash items	31 December 2021
Debt issued and borrowings	86,564	44,272	2,981	133,817
<b>Total</b>	<b>86,564</b>	<b>44,272</b>	<b>2,981</b>	<b>133,817</b>

(Unit: Million Baht)

Item	Separate financial statements			
	Cash flows from financing			
	1 January 2021	activities	Non-cash items	31 December 2021
Debt issued and borrowings	44,293	44,161	2,938	91,392
<b>Total</b>	<b>44,293</b>	<b>44,161</b>	<b>2,938</b>	<b>91,392</b>

## 8.2 Classification of financial assets and financial liabilities

(Unit: Million Baht)

Consolidated financial statements					
31 December 2021					
	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
<b><u>Financial assets</u></b>					
Cash	-	-	-	63,544	63,544
Interbank and money market items - net	-	-	-	469,216	469,216
Financial assets measured at fair value through profit and loss	18,039	-	-	-	18,039
Derivatives assets	52,660	-	-	-	52,660
Investments - net	-	322,190	18,253	1,599	342,042
Loans to customers and accrued interest receivables - net	-	-	-	2,476,220	2,476,220
<b>Total financial assets</b>	<b>70,699</b>	<b>322,190</b>	<b>18,253</b>	<b>3,010,579</b>	<b>3,421,721</b>
<b><u>Financial liabilities</u></b>					
Deposits	-	-	-	2,614,747	2,614,747
Interbank and money market items - net	-	-	-	296,344	296,344
Liabilities payable on demand	-	-	-	4,210	4,210
Derivatives liabilities	50,550	-	-	-	50,550
Debt issued and borrowings	-	-	-	133,817	133,817
Lease liabilities	-	-	-	4,277	4,277
Provisions	-	-	-	20,364	20,364
<b>Total financial liabilities</b>	<b>50,550</b>	<b>-</b>	<b>-</b>	<b>3,073,759</b>	<b>3,124,309</b>



(Unit: Million Baht)

Consolidated financial statements					
31 December 2020					
	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
<b>Financial assets</b>					
Cash	-	-	-	68,161	68,161
Interbank and money market items - net	-	-	-	516,792	516,792
Financial assets measured at fair value through profit and loss	13,724	-	-	-	13,724
Derivatives assets	74,507	-	-	-	74,507
Investments - net	-	300,505	14,743	1,740	316,988
Loans to customers and accrued interest receivables - net	-	-	-	2,200,513	2,200,513
<b>Total financial assets</b>	<b>88,231</b>	<b>300,505</b>	<b>14,743</b>	<b>2,787,206</b>	<b>3,190,685</b>
<b>Financial liabilities</b>					
Deposits	-	-	-	2,463,225	2,463,225
Interbank and money market items - net	-	-	-	274,566	274,566
Liabilities payable on demand	-	-	-	4,732	4,732
Derivatives liabilities	65,471	-	-	-	65,471
Debt issued and borrowings	-	-	-	86,564	86,564
Lease liabilities	-	-	-	4,504	4,504
Provisions	-	-	-	20,287	20,287
<b>Total financial liabilities</b>	<b>65,471</b>	<b>-</b>	<b>-</b>	<b>2,853,878</b>	<b>2,919,349</b>

(Unit: Million Baht)

Separate financial statement					
31 December 2021					
	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
<b>Financial assets</b>					
Cash	-	-	-	63,515	63,515
Interbank and money market items - net	-	-	-	468,832	468,832
Financial assets measured at fair value through profit and loss	18,307	-	-	-	18,307
Derivatives assets	52,660	-	-	-	52,660
Investments - net	-	323,276	18,251	595	342,122
Loans to customers and accrued interest receivables - net	-	-	-	2,401,463	2,401,463
<b>Total financial assets</b>	<b>70,967</b>	<b>323,276</b>	<b>18,251</b>	<b>2,934,405</b>	<b>3,346,899</b>
<b>Financial liabilities</b>					
Deposits	-	-	-	2,619,066	2,619,066
Interbank and money market items - net	-	-	-	292,398	292,398
Liabilities payable on demand	-	-	-	4,210	4,210
Derivatives liabilities	50,550	-	-	-	50,550
Debt issued and borrowings	-	-	-	91,392	91,392
Lease liabilities	-	-	-	3,449	3,449
Provisions	-	-	-	18,837	18,837
<b>Total financial liabilities</b>	<b>50,550</b>	<b>-</b>	<b>-</b>	<b>3,029,352</b>	<b>3,079,902</b>

(Unit: Million Baht)

Separate financial statement					
31 December 2020					
	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
<b><u>Financial assets</u></b>					
Cash	-	-	-	68,116	68,116
Interbank and money market items - net	-	-	-	516,321	516,321
Financial assets measured at fair value through profit and loss	14,188	-	-	-	14,188
Derivatives assets	74,507	-	-	-	74,507
Investments - net	-	301,259	14,740	895	316,894
Loans to customers and accrued interest receivables - net	-	-	-	2,127,089	2,127,089
<b>Total financial assets</b>	<b>88,695</b>	<b>301,259</b>	<b>14,740</b>	<b>2,712,421</b>	<b>3,117,115</b>
<b><u>Financial liabilities</u></b>					
Deposits	-	-	-	2,466,780	2,466,780
Interbank and money market items - net	-	-	-	268,425	268,425
Liabilities payable on demand	-	-	-	4,732	4,732
Derivatives liabilities	65,471	-	-	-	65,471
Debt issued and borrowings	-	-	-	44,293	44,293
Lease liabilities	-	-	-	3,529	3,529
Provisions	-	-	-	18,740	18,740
<b>Total financial liabilities</b>	<b>65,471</b>	<b>-</b>	<b>-</b>	<b>2,806,499</b>	<b>2,871,970</b>

## 8.3 Interbank and money market items (assets)

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2021			31 December 2020		
	At call	Term	Total	At call	Term	Total
<b>Domestic</b>						
Bank of Thailand and Financial Institutions Development Fund	24,312	358,025	382,337	25,449	419,897	445,346
Commercial banks	372	32,895	33,267	459	8,449	8,908
Specialised financial institutions	12	11,101	11,113	14	19,573	19,587
Other financial institutions	18	20,893	20,911	25	26,249	26,274
<b>Total</b>	<b>24,714</b>	<b>422,914</b>	<b>447,628</b>	<b>25,947</b>	<b>474,168</b>	<b>500,115</b>
Add: Accrued interest receivables	-	69	69	-	83	83
Less: Deferred revenue	-	(16)	(16)	-	(2)	(2)
Less: Allowance for expected credit losses	(1)	(2,173)	(2,174)	(1)	(2,635)	(2,636)
<b>Total domestic items</b>	<b>24,713</b>	<b>420,794</b>	<b>445,507</b>	<b>25,946</b>	<b>471,614</b>	<b>497,560</b>
<b>Foreign</b>						
US Dollar	17,594	1,906	19,500	12,266	1,362	13,628
Yen	502	-	502	552	-	552
Euro	633	-	633	1,112	-	1,112
Others	2,178	993	3,171	1,898	2,125	4,023
<b>Total</b>	<b>20,907</b>	<b>2,899</b>	<b>23,806</b>	<b>15,828</b>	<b>3,487</b>	<b>19,315</b>
Add: Accrued interest receivables	-	13	13	-	18	18
Less: Allowance for expected credit losses	(63)	(47)	(110)	(62)	(39)	(101)
<b>Total foreign items</b>	<b>20,844</b>	<b>2,865</b>	<b>23,709</b>	<b>15,766</b>	<b>3,466</b>	<b>19,232</b>
<b>Total</b>	<b>45,557</b>	<b>423,659</b>	<b>469,216</b>	<b>41,712</b>	<b>475,080</b>	<b>516,792</b>

(Unit: Million Baht)

	Separate financial statements					
	31 December 2021			31 December 2021		
	At call	Term	Total	At call	Term	Total
<b>Domestic</b>						
Bank of Thailand and Financial						
Institutions Development Fund	24,312	358,025	382,337	25,449	419,897	445,346
Commercial banks	-	32,895	32,895	2	8,449	8,451
Specialised financial institutions	-	11,101	11,101	-	19,573	19,573
Other financial institutions	18	20,893	20,911	25	26,249	26,274
<b>Total</b>	<b>24,330</b>	<b>422,914</b>	<b>447,244</b>	<b>25,476</b>	<b>474,168</b>	<b>499,644</b>
Add: Accrued interest receivables	-	69	69	-	83	83
Less: Deferred revenue	-	(16)	(16)	-	(2)	(2)
Less: Allowance for expected credit losses	(1)	(2,173)	(2,174)	(1)	(2,635)	(2,636)
<b>Total domestic items</b>	<b>24,329</b>	<b>420,794</b>	<b>445,123</b>	<b>25,475</b>	<b>471,614</b>	<b>497,089</b>
<b>Foreign</b>						
US Dollar	17,594	1,906	19,500	12,266	1,362	13,628
Yen	502	-	502	552	-	552
Euro	633	-	633	1,112	-	1,112
Others	2,178	993	3,171	1,898	2,125	4,023
<b>Total</b>	<b>20,907</b>	<b>2,899</b>	<b>23,806</b>	<b>15,828</b>	<b>3,487</b>	<b>19,315</b>
Add: Accrued interest receivables	-	13	13	-	18	18
Less: Allowance for expected credit losses	(63)	(47)	(110)	(62)	(39)	(101)
<b>Total foreign items</b>	<b>20,844</b>	<b>2,865</b>	<b>23,709</b>	<b>15,766</b>	<b>3,466</b>	<b>19,232</b>
<b>Total</b>	<b>45,173</b>	<b>423,659</b>	<b>468,832</b>	<b>41,241</b>	<b>475,080</b>	<b>516,321</b>

As at 31 December 2021, 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 2021	31 December 2020	31 December 2021	31 December 2020
Investments				
<b>Financial assets held for trading</b>				
Government and state enterprises securities	11,057	6,497	11,057	6,497
Private enterprises debt securities	1,930	1,973	2,198	2,437
Marketable equity securities	-	36	-	36
Total	12,987	8,506	13,255	8,970
<b>Others</b>				
Private enterprises debt securities	3,837	4,080	3,837	4,080
Unit trust	411	382	411	382
Marketable equity securities	804	756	804	756
Total	5,052	5,218	5,052	5,218
Total financial assets measured at fair value through profit or loss	18,039	13,724	18,307	14,188



## 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 2021			31 December 2020		
	Fair value		Notional amounts	Fair value		Notional amounts
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	30,486	30,000	1,964,974	35,370	29,425	1,752,331
Interest rate	18,587	15,730	1,791,917	32,092	29,047	2,110,901
Others	3,004	2,903	139,305	6,125	6,699	123,954
Total	52,077	48,633	3,896,196	73,587	65,171	3,987,186

### 8.5.2 Derivative for hedging

As at 31 December 2021 and 2020, 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)			
Consolidated and separate financial statements			
31 December 2021			
Type of risk	Notional amounts	Fair value	
		Assets	Liabilities
<b><u>Interest rate risk</u></b>			
Interest rate swap	4,315	-	-
Total	4,315	-	-

(Unit: Million Baht)			
Consolidated and separate financial statements			
31 December 2020			
Type of risk	Notional amounts	Fair value	
		Assets	Liabilities
<b><u>Interest rate risk</u></b>			
Interest rate swap	4,315	-	-
Total	4,315	-	-

### Fair value hedges

The amounts relating to items designated as hedged items under fair value hedges are as follows:

		(Unit: Million Baht)			
		Consolidated and separate financial statements			
		31 December 2021			
Type of risk		Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items	
		Assets	Liabilities	Assets	Liabilities
<b><u>Interest rate risk</u></b>					
THB fixed-rate borrowings	A	-	835	-	35
USD fixed-rate borrowings	A	-	1,991	-	(14)
THB fixed-rate debt issued	B	-	10,139	-	139
USD fixed-rate debt issued	B	-	19,698	-	(285)
THB fixed-rate loans to customers	D	2,262	-	(27)	-
Total interest rate risk		2,262	32,663	(27)	(125)
<b><u>Foreign exchange rate risk</u></b>					
USD investments in equity securities, designated at fair value through other comprehensive income	C	3,318	-	27	-
EUR investments in equity securities, designated at fair value through other comprehensive income	C	7	-	-	-
Total foreign exchange rate risk		3,325	-	27	-
Total		5,587	32,663	-	(125)

		(Unit: Million Baht)			
		Consolidated and separate financial statements			
		31 December 2020			
Type of risk		Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items	
		Assets	Liabilities	Assets	Liabilities
<b><u>Interest rate risk</u></b>					
THB fixed-rate borrowings	A	-	3,451	-	101
THB fixed-rate debt issued	B	-	10,293	-	293
Total interest rate risk		-	13,744	-	394
<b><u>Foreign exchange rate risk</u></b>					
USD investments in equity securities, designated at fair value through other comprehensive income	C	2,987	-	90	-
EUR investments in equity securities, designated at fair value through other comprehensive income	C	7	-	-	-
Total foreign exchange rate risk		2,994	-	90	-
Total		2,994	13,744	90	394

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. Investment - 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)

Consolidated and separate financial statements			
31 December 2021			
Type of risk	Notional amounts	Fair value of hedging instruments	
		Assets	Liabilities
<b><u>Interest rate risk</u></b>			
Interest rate swap	35,147	222	119
Interest rate swap option	390	5	-
Total interest rate risk	35,537	227	119
<b><u>Foreign exchange rate risk</u></b>			
Foreign currency forward contract	202	-	2
Foreign currency swap contract	3,516	2	27
Total foreign exchange rate risk	3,718	2	29
Total	39,255	229	148

(Unit: Million Baht)

Consolidated and separate financial statements			
31 December 2020			
Type of risk	Notional amounts	Fair value of hedging instruments	
		Assets	Liabilities
<b><u>Interest rate risk</u></b>			
Interest rate swap	13,350	457	4
Total interest rate risk	13,350	457	4
<b><u>Foreign exchange rate risk</u></b>			
Foreign currency forward contract	30	-	-
Foreign currency swap contract	2,890	90	-
Total foreign exchange rate risk	2,920	90	-
Total	16,270	547	4

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)

		Consolidated and separate financial statements		
		For the year ended 31 December 2021		
Type of risk		Gains (losses) attributable to the hedged risk		Change in fair value used for measuring ineffectiveness
Hedged items	Hedging instruments	Hedged items	Hedging instruments	
<b><u>Interest rate risk</u></b>				
THB fixed-rate borrowings	Interest rate swap	66	(66)	-
USD fixed-rate borrowings	Interest rate swap	14	(14)	-
THB fixed-rate debt issued	Interest rate swap	154	(154)	-
USD fixed-rate debt issued	Interest rate swap	285	(285)	-
THB fixed-rate loans to customers	Interest rate swap and interest rate swap option	(27)	21	(6)
Total interest rate risk		492	(498)	(6)
<b><u>Foreign exchange rate risk</u></b>				
USD investments in equity securities, designated at fair value through other comprehensive income	Foreign currency forward contract / Foreign currency swap contract	27	(27)	-
Total foreign exchange rate risk		27	(27)	-
Total		519	(525)	(6)

(Unit: Million Baht)

		Consolidated and separate financial statements		
		For the year ended 31 December 2020		
Type of risk		Gains (losses) attributable to the hedged risk		Change in fair value used for measuring ineffectiveness
Hedged items	Hedging instruments	Hedged items	Hedging instruments	
<b><u>Interest rate risk</u></b>				
THB fixed-rate borrowings	Interest rate swap	66	(62)	4
THB fixed-rate debt issued	Interest rate swap	(77)	77	-
Total interest rate risk		(11)	15	4
<b><u>Foreign exchange rate risk</u></b>				
USD investments in equity securities, designated at fair value through other comprehensive income	Foreign currency forward contract / Foreign currency swap contract	(88)	88	-
Total foreign exchange rate risk		(88)	88	-
Total		(99)	103	4

### Cash flow hedges

The amounts relating to items designated as hedged items under cash flow hedges are as follows:

(Unit: Million Baht)

Consolidated and separate financial statements			
31 December 2021			
Type of risk	Change in fair value measuring used for ineffectiveness	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
<b><u>Interest rate and foreign exchange rate risk</u></b>			
Investment in debt securities, measured at fair value through other comprehensive income			
USD fixed-rate	530	26	-
USD floating rate	924	4	-
YEN fixed-rate	(93)	119	-
EUR fixed-rate	19	14	-
EUR floating rate	(2)	(17)	-
AUD floating rate	(32)	-	-
MYR fixed-rate	116	32	-
Total	1,462	178	-

(Unit: Million Baht)

Consolidated and separate financial statements			
31 December 2020			
Type of risk	Change in fair value measuring used for ineffectiveness	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
<b><u>Interest rate and foreign exchange rate risk</u></b>			
Investment in debt securities, measured at fair value through other comprehensive income			
USD fixed-rate	(3)	(15)	-
USD floating rate	(165)	50	-
YEN fixed-rate	(63)	123	-
EUR fixed-rate	62	10	-
EUR floating rate	59	14	-
AUD fixed-rate	24	-	-
Total	(86)	182	-



The corresponding items in the statement of financial position, where the hedged items are recorded is “Investment - 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)

	Consolidated and separate financial statements						
	31 December 2021						
		Carrying amount of hedging instruments		Changes in fair value used for measuring ineffectiveness			
					Effective portion recognised in other comprehensive income	Ineffective portion recognised in profit or loss	Amount reclassified from the cash flow hedge reserve to profit or loss
Type of risk	Notional amounts	Assets	Liabilities	Total			
<b>Interest rate risk</b>							
Interest rate swap option - hedge the risk of EUR floating-rate investments in debt securities	1,307	-	2	(2)	-	(2)	-
<b>Interest rate and foreign exchange rate risk</b>							
Cross currency swap (THB:USD) - hedge the risk of USD fixed-rate investments in debt securities	6,147	2	527	(530)	(530)	-	571
Cross currency swap (THB:USD) - hedge the risk of USD floating rate investments in debt securities	9,792	-	756	(924)	(924)	-	878
Cross currency swap (THB:YEN) - hedge the risk of YEN fixed-rate investments in debt securities	26,303	307	159	93	93	-	(97)
Cross currency swap (THB:EUR) - hedge the risk of EUR fixed-rate investments in debt securities	3,528	8	90	(19)	(19)	-	23
Cross currency swap (THB:EUR) - hedge the risk of EUR floating rate investments in debt securities	2,255	36	93	2	2	-	(33)
Cross currency swap (THB:AUD) - hedge the risk of AUD floating rate investments in debt securities	-	-	-	32	32	-	(32)
Cross currency swap (THB:MYR) - hedge the risk of MYR fixed-rate investments in debt securities	3,206	1	142	(116)	(116)	-	148
Total	52,538	354	1,769	(1,464)	(1,462)	(2)	1,458

(Unit: Million Baht)

Consolidated and separate financial statements							
31 December 2020							
Type of risk	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	
<b>Interest rate and foreign exchange rate risk</b>							
Cross currency swap (THB:USD) - hedge the risk of USD fixed-rate investments in debt securities	1,410	11	6	3	3	-	(14)
Cross currency swap (THB:USD) - hedge the risk of USD floating rate investments in debt securities	5,052	173	-	165	165	-	(115)
Cross currency swap (THB:YEN) - hedge the risk of YEN fixed-rate investments in debt securities	14,906	189	134	63	63	-	45
Cross currency swap (THB:EUR) - hedge the risk of EUR fixed-rate investments in debt securities	797	-	63	(62)	(62)	-	67
Cross currency swap (THB:EUR) - hedge the risk of EUR floating rate investments in debt securities	922	-	61	(59)	(59)	-	74
Cross currency swap (THB:AUD) - hedge the risk of AUD fixed-rate investments in debt securities	343	-	32	(24)	(24)	-	27
Total	23,430	373	296	86	86	-	84

The corresponding line item in the statement of 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 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 2021 and 2020, the Bank has hedging instruments used to hedge interest rate risk and foreign exchange rate risk, classified by the maturity as follows:

Consolidated and separate financial statements						
31 December 2021						
Type of risk	Remaining time to maturity					
	Less		Over 3	Over		Total
	than	1 to 3	months to	1 to 5	Over	
	1 month	months	1 year	years	5 years	
<b>Fair value hedges - interest rate risk</b>						
Interest rate swap - hedge THB fixed - rate borrowings						
Notional amount (Unit: Million Baht)	-	-	10,000	-	800	10,800
Average fixed rate (%)	-	-	3.40	-	3.41	3.40
Average floating rate (%)	-	-	1.84	-	0.95	1.78
Interest rate swap - hedge USD fixed - rate borrowings						
Notional amount (Unit: Million Baht)	-	-	-	22,057	-	22,057
Average fixed rate (%)	-	-	-	4.05	-	4.05
Average floating rate (%)	-	-	-	3.32	-	3.32
Interest rate swap - hedge USD fixed - rate loan to customer						
Notional amount (Unit: Million Baht)	-	283	-	-	2,007	2,290
Average fixed rate (%)	-	3.50	-	-	3.50	3.50
Average floating rate (%)	-	2.40	-	-	2.40	2.40
Interest rate swap option - hedge USD fixed - rate loan to customer						
Notional amount (Unit: Million Baht)	-	390	-	-	-	390
Average fixed rate (%)	-	3.5	-	-	-	3.5
Average floating rate (%)	-	2.4	-	-	-	2.4
<b>Fair value hedges - foreign exchange rate risk</b>						
Foreign currency forward contract - hedge USD investments in equity securities						
Notional amount (Unit: Million Baht)	-	202	-	-	-	202
Average foreign exchange rate (THB:USD)	-	33.73	-	-	-	33.73
Foreign currency swap contract - hedge EUR investments in equity securities						
Notional amount (Unit: Million Baht)	-	3,509	-	-	-	3,509
Average foreign exchange rate (THB:EUR)	-	33.18	-	-	-	33.18
Foreign currency swap contract - hedge USD investments in equity securities						
Notional amount (Unit: Million Baht)	-	7	-	-	-	7
Average foreign exchange rate (THB:USD)	-	38.33	-	-	-	38.33

Type of risk	Consolidated and separate financial statements					
	31 December 2021					
	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
<b><u>Cash flow hedges - interest rate risk</u></b>						
Interest rate swap option - - hedge the risk of EUR floating-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	-	1,307	-	1,307
<b><u>Cash flow hedges - interest rate and foreign exchange rate risk</u></b>						
Cross currency swap (THB:USD) - hedge the risk of USD fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	2,005	332	3,810	-	6,147
Average foreign exchange rate (THB:USD)	-	30.21	30.51	30.57	-	30.45
Average fixed rate (%)	-	0.31	1.61	1.41	-	1.06
Cross currency swap (THB:USD) - hedge the risk of USD floating rate investments in debt securities						
Notional amount (Unit: Million Baht)	434	-	1,671	7,687	-	9,792
Average foreign exchange rate (THB:USD)	30.27	-	30.26	30.91	-	30.77
Average fixed rate (%)	1.59	-	1.62	1.32	-	1.38
Cross currency swap (THB:YEN) - hedge the risk of YEN fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	8,865	17,438	-	26,303
Average foreign exchange rate (THB:YEN)	-	-	0.29	0.29	-	0.29
Average fixed rate (%)	-	-	1.16	1.44	-	1.34
Cross currency swap (THB:EUR) - hedge the risk of EUR fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	819	2,709	-	3,528
Average foreign exchange rate (THB:EUR)	-	-	33.43	37.85	-	36.83
Average fixed rate (%)	-	-	1.76	1.19	-	1.31
Cross currency swap (THB:EUR) - hedge the risk of EUR floating rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	-	2,255	-	2,255
Average foreign exchange rate (THB:EUR)	-	-	-	37.01	-	37.01
Average fixed rate (%)	-	-	-	1.39	-	1.39
Cross currency swap (THB:MYR) - hedge the risk of MYR fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	-	3,206	-	3,206
Average foreign exchange rate (THB:MYR)	-	-	-	7.65	-	7.65
Average fixed rate (%)	-	-	-	2.4	-	2.4

Type of risk	Consolidated and separate financial statements					
	31 December 2020					
	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
<b><u>Fair value hedges - interest rate risk</u></b>						
Interest rate swap - hedge THB fixed-rate borrowings						
Notional amount (Unit: Million Baht)	200	1,850	500	10,000	800	13,350
Average fixed rate (%)	4.60	4.34	4.50	3.40	3.41	3.59
Average floating rate (%)	0.72	0.39	0.63	1.70	0.83	1.41
<b><u>Fair value hedges - foreign exchange rate risk</u></b>						
Foreign currency forward contract - hedge USD investments in equity securities						
Notional amount (Unit: Million Baht)	-	30	-	-	-	30
Average foreign exchange rate (THB:USD)	-	30.00	-	-	-	30.00
Foreign currency swap contract - hedge EUR investments in equity securities						
Notional amount (Unit: Million Baht)	-	7	-	-	-	7
Average foreign exchange rate (THB:EUR)	-	36.52	-	-	-	36.52
Foreign currency swap contract - hedge USD investments in equity securities						
Notional amount (Unit: Million Baht)	-	2,884	-	-	-	2,884
Average foreign exchange rate (THB:USD)	-	30.97	-	-	-	30.97
<b><u>Cash flow hedges - interest rate and foreign exchange rate risk</u></b>						
Cross currency swap (THB:USD) - hedge the risk of USD fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	150	1,260	-	1,410
Average foreign exchange rate (THB:USD)	-	-	30.27	30.51	-	30.48
Average fixed rate (%)	-	-	2.10	2.70	-	2.64
Cross currency swap (THB:USD) - hedge the risk of USD floating rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	757	4,295	-	5,052
Average foreign exchange rate (THB:USD)	-	-	30.26	30.74	-	30.66
Average fixed rate (%)	-	-	1.48	1.48	-	1.48

Consolidated and separate financial statements						
31 December 2020						
Remaining time to maturity						
Type of risk	Less than 1 month	1 to 3 months	Over 3 months to 1 year	Over 1 to 5 years	Over 5 years	Total
<b>Cash flow hedges - interest rate and foreign exchange rate risk (continued)</b>						
Cross currency swap (THB:YEN) - hedge the risk of YEN fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	227	14,679	-	14,906
Average foreign exchange rate (THB:YEN)	-	-	0.28	0.29	-	0.29
Average fixed rate (%)	-	-	1.56	1.33	-	1.34
Cross currency swap (THB:EUR) - hedge the risk of EUR fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	-	797	-	797
Average foreign exchange rate (THB:EUR)	-	-	-	33.43	-	33.43
Average fixed rate (%)	-	-	-	1.76	-	1.76
Cross currency swap (THB:EUR) - hedge the risk of EUR floating rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	-	922	-	922
Average foreign exchange rate (THB:EUR)	-	-	-	33.69	-	33.69
Average fixed rate (%)	-	-	-	1.73	-	1.73
Cross currency swap (THB:AUD) - hedge the risk of AUD fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	344	-	-	344
Average foreign exchange rate (THB:AUD)	-	-	20.79	-	-	20.79
Average fixed rate (%)	-	-	1.50	-	-	1.50

During the year ended 31 December 2021, there were no forecast transactions that are expected to be discontinued hedge as they were 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 2021			
	Cash flow	Gains (losses)	
	hedge reserve	from deferred cost	Total
		of hedging	
Balance as at 1 January 2021 - net income tax	145	33	178
Effective portion of changes in fair value:			
Interest rate and foreign exchange rate risk	(1,462)	-	(1,462)
Net amount reclassified to profit or loss:			
Interest rate and foreign exchange rate risk	1,458	-	1,458
Changes in deferred cost of hedging	-	(135)	(135)
Related income taxes	1	27	28
Balance as at 31 December 2021 - net income tax	142	(75)	67

(Unit: Million Baht)

Consolidated and separate financial statements			
31 December 2020			
	Cash flow	Gains (losses)	
	hedge reserve	from deferred cost	Total
		of hedging	
Balance as at 1 January 2020 - net income tax	9	(39)	(30)
Effective portion of changes in fair value:			
Interest rate and foreign exchange rate risk	86	-	86
Net amount reclassified to profit or loss:			
Interest rate and foreign exchange rate risk	84	-	84
Changes in deferred cost of hedging	-	90	90
Related income taxes	(34)	(18)	(52)
Balance as at 31 December 2020 - net income tax	145	33	178

## 8.6 Investments - net

The detail of investments of the Bank and its subsidiaries as of 31 December 2021 and 2020 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Investments in debt securities measured at amortised cost	1,599	1,740	595	895
Investments in debt securities measured at fair value through other comprehensive income	322,190	300,505	323,276	301,259
Investments in equity securities designated at fair value through other comprehensive income	18,253	14,743	18,251	14,740
	342,042	316,988	342,122	316,894

### 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 2021	31 December 2020	31 December 2021	31 December 2020
Government and state enterprise securities	1,004	845	-	-
Private enterprise debt securities	145	364	145	364
Foreign debt securities	496	578	496	578
Total	1,645	1,787	641	942
<u>Less</u> Allowance for expected credit losses	(46)	(47)	(46)	(47)
Total	1,599	1,740	595	895

## 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 2021	31 December 2020	31 December 2021	31 December 2020
Government and state enterprise securities	256,496	256,924	256,496	256,924
Private enterprise debt securities	10,908	10,867	11,994	11,621
Foreign debt securities	54,786	32,714	54,786	32,714
Total	322,190	300,505	323,276	301,259
Allowance for expected credit losses	(960)	(968)	(960)	(968)

## 8.6.3 Investments in equity securities designated at fair value through other comprehensive income

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2021		31 December 2020	
	Fair value	Dividend income	Fair value	Dividend income
Domestic marketable equity securities	13,366	291	10,436	281
Foreign marketable equity securities	3,499	18	3,180	27
Domestic non-marketable equity securities	1,381	11	1,120	14
Foreign non-marketable equity securities	7	1	7	1
Total	18,253	321	14,743	323

(Unit: Million Baht)

	Separate financial statements			
	31 December 2021		31 December 2020	
	Fair value	Dividend income	Fair value	Dividend income
Domestic marketable equity securities	13,366	291	10,436	281
Foreign marketable equity securities	3,499	18	3,180	27
Domestic non-marketable equity securities	1,379	11	1,117	14
Foreign non-marketable equity securities	7	1	7	1
Total	18,251	321	14,740	323

During the year ended 31 December 2021, the Bank and its subsidiaries dispose of their investments in equity securities designated to be measured at fair value through other comprehensive income. The change in the fair value of these investments through other comprehensive income are transferred to retained earnings as follows:

(Unit: Million Baht)

Consolidated and separate financial statements				
31 December 2021				
	Fair value at the disposal date	Dividend received	Retained gain (loss) from disposal (net of tax)	Reason for disposal
Domestic marketable equity securities	14	13	2	Terminate the fund
Foreign non-marketable equity securities	1	-	-	According to share allocation policy of issuer
Total	15	13	2	

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 2021	31 December 2020
Public utilities and services	4,743	1,726
Mutual funds and REIT	1,131	881

8.6.5 As at 31 December 2021 and 2020, 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								
							Allowance for expected credit losses/ allowance for impairment provided in the accounts	
Number		Cost		Fair value				
31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	
		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	-	33	33	847	-
2. Companies which have debt settlement problems or default on debt repayment	2	3	115	947	-	-	115	962

## 8.7 Investments in subsidiaries and associated companies - net

### 8.7.1 Separate financial statements

(Unit: Million Baht)

Name of company	Type of business	Type of shares	Percentages of shareholdings		Investments (Cost method)		Dividend for the years ended	
			31	31	31	31	31	31
			December	December	December	December	December	December
			2021	2020	2021	2020	2021	2020
<b>Subsidiaries</b>								
<b>Directly held</b>								
KTB Law Co., Ltd.	Legal services	Ordinary	100.00	100.00	30	30	-	13
KTB General Services and Security Co., Ltd.	General services	Ordinary	100.00	100.00	140	140	172	59
Krung Thai Asset Management Plc.	Fund management	Ordinary	100.00	100.00	211	211	550	500
KTB Computer Services Co., Ltd.	IT services	Ordinary	100.00	100.00	1,300	1,300	153	-
KTB Leasing Co., Ltd. <sup>(1)</sup>	Hire purchase	Ordinary	24.95	100.00	249	1,000	-	-
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	1,118	1,118
KTC Nano Co., Ltd <sup>(2)</sup>	Nano finance	Ordinary	24.95	24.95	13	13	-	-
KTC Pico (Bangkok) Co., Ltd. <sup>(2)</sup>	Personal loan	Ordinary	24.95	24.95	15	15	-	-
KTC Prepaid Co., Ltd. <sup>(2)</sup>	Electronic money services	Ordinary	24.95	24.95	25	25	-	-
<b>Indirect held</b>								
KTC Pico (Chonburi) Co., Ltd. <sup>(3)</sup>	Personal loan				-	-	-	-
KTC Pico (Pathum Thani) Co., Ltd. <sup>(3)</sup>	Personal loan				-	-	-	-
KTC Pico (Samut Prakan) Co., Ltd. <sup>(3)</sup>	Personal loan				-	-	-	-
KTC Pico (Samut Sakhon) Co., Ltd. <sup>(3)</sup>	Personal loan				-	-	-	-
Infinitas by Krungthai Co., Ltd. <sup>(4)</sup>	Digital platform services				-	-	-	-
Arise by Infinitas Co., Ltd. <sup>(5)</sup>	Human resource technology services				-	-	-	-
Total					4,361	5,112	1,993	1,690
<u>Less</u> Allowance for impairment					(199)	(799)	-	-
Total					4,162	4,313	1,993	1,690



(Unit: Million Baht)

Name of company	Type of business	Type of shares	Percentages of shareholdings		Investments (Cost method)		Dividend for the years ended	
			31 December	31 December	31 December	31 December	31 December	31 December
			2021	2020	2021	2020	2021	2020
Associated companies								
Krungthai-AXA Life Insurance Plc.	Life insurance	Ordinary	50.00	50.00	4,072	4,072	150	-
Krungthai Panich Insurance Plc.	Non-life insurance	Ordinary	45.00	45.00	1,519	1,519	223	208
Krung Thai IBJ Leasing Co., Ltd. <sup>(6)</sup>	Hire purchase	Ordinary	49.00	49.00	87	87	59	40
Krungthai Zmico Securities Co., Ltd.	Securities business	Ordinary	50.00	50.00	1,069	1,069	62	-
National ITMX Co., Ltd.	Services	Ordinary	19.97	19.86	39	36	75	35
BCI (Thailand) Co., Ltd.	Services	Ordinary	22.17	22.17	117	117	-	-
Total					6,903	6,900	569	283
Less Allowance for impairment					(23)	(10)	-	-
Total					6,880	6,890	569	283
Investments in subsidiaries and associates - net					11,042	11,203	2,562	1,973

- (1) On 21 May 2021, the Bank sold 75.05 million ordinary shares or 75.05 percentage of shareholding of KTB Leasing Co., Ltd. to Krungthai Card Plc., resulting to percentage of shareholding decrease to 24.95 percent.
- (2) The Bank has 24.95 percent shareholding in KTC Nano Co., Ltd., KTC Pico (Bangkok) Co., Ltd. and 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 KTC Nano Co., Ltd., KTC Pico (Bangkok) Co., Ltd. and KTC prepaid Co., Ltd.
- (3) The Bank, indirectly invested by KTC Pico (Bangkok) Co., Ltd., which 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.
- (4) The Bank, indirectly invested by KTB Advisory Co., Ltd., which invested in the 100% shareholdings of Infinitas by Krungthai Co., Ltd.
- (5) The Bank, indirectly invested by Infinitas by Krungthai Co., Ltd. which invested in the 51% shareholdings of Arise by Infinitas Co., Ltd.
- (6) On 5 January 2022, Krung Thai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd.

## 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		Profit allocated to non-controlling interests during the years ended		Other comprehensive income allocated to non-controlling interests during the years ended		Share of surplus from the change in the ownership interests in subsidiaries during the years ended	
	31	31	31	31	31 December		31 December		31 December		31 December	
	December	December	December	December	2021	2020	2021	2020	2021	2020	2021	2020
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(%)	(%)										
Krungthai Card Plc.	50.71	50.71	13,883	11,561	1,150	1,150	2,976	2,699	2	14	494	(41)
KTB Advisory Co., Ltd.	12.17	12.17	37	37	-	-	-	-	-	-	-	37
Infinitas by												
Krungthai Co., Ltd.	12.17	12.17	7	-	-	-	7	-	-	-	-	-
Arise by Infinitas Co., Ltd.	55.21	-	132	-	-	-	(15)	-	-	-	-	-
			<u>14,059</u>	<u>11,598</u>	<u>1,150</u>	<u>1,150</u>	<u>2,968</u>	<u>2,699</u>	<u>2</u>	<u>14</u>	<u>494</u>	<u>(4)</u>

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 2021	31 December 2020
<u>Summarised information about financial position</u>		
Total assets	89,471	88,403
Total liabilities	62,387	65,553
<u>Summarise information about comprehensive income</u>		
Net operating income	18,619	19,146
Profit for the year	5,789	5,332
Other comprehensive income	3	27
Total comprehensive income	5,792	5,359
<u>Summarised information about cash flow</u>		
Cash flow from (used in) operating activities	8,334	3,482
Cash flow from (used in) investing activities	(779)	(402)
Cash flow from (used in) financing activities	(7,390)	(2,515)

## 8.7.2 Consolidated financial statements

As at 31 December 2021 and 2020, 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 2021			31 December 2020		
	Percentages of shareholdings	Investments (cost method)	Investment (equity method)	Percentages of shareholdings	Investments (cost method)	Investment (equity method)
<b>Associated companies</b>						
Krungthai-AXA Life Insurance Plc.	50.00	594	14,909	50.00	594	23,816
Krungthai Panich Insurance Plc.	45.00	971	4,180	45.00	971	3,027
Krung Thai IBJ Leasing Co., Ltd.	49.00	87	866	49.00	87	790
Krungthai Zmico Securities Co., Ltd.	50.00	1,069	1,330	50.00	1,069	1,208
National ITMX Co., Ltd.	19.97	39	608	19.86	36	464
BCI (Thailand) Co., Ltd.	22.17	117	82	22.17	117	95
Total investments in associated companies - net		2,877	21,975		2,874	29,400

(Unit: Million Baht)

Name of company	For the years ended 31 December					
	2021			2020		
	Dividend income	Share of profit (loss)	Share of other comprehensive income	Dividend income	Share of profit (loss)	Share of other comprehensive income
<b>Associated companies</b>						
Krungthai-AXA Life Insurance Plc. <sup>(1)</sup>	150	219	(8,976)	-	1,436	(2,706)
Krungthai Panich Insurance Plc. <sup>(1)</sup>	223	303	1,073	208	315	(76)
Krung Thai IBJ Leasing Co., Ltd.	59	135	-	40	135	-
Krungthai Zmico Securities Co., Ltd.	62	186	(2)	-	69	22
National ITMX Co., Ltd.	75	216	-	35	119	-
BCI (Thailand) Co., Ltd.	-	(13)	-	-	(14)	-
Total investments in associated companies - net	569	1,046	(7,905)	283	2,060	(2,760)

(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.		Krung Thai IBJ Leasing Co., Ltd.	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Total assets	328,281	341,759	16,276	11,866	14,489	12,734
Total liabilities	298,462	294,127	6,988	5,139	12,722	11,121
<b>Net assets</b>	29,819	47,632	9,288	6,727	1,767	1,613
Shareholding percentage (%)	50.00	50.00	45.00	45.00	49.00	49.00
<b>Carrying amounts of the associate based on equity method</b>	14,909	23,816	4,180	3,027	866	790

(Unit: Million Baht)

	Krungthai Zmico Securities Co., Ltd.		National ITMX Co., Ltd.		BCI (Thailand) Co., Ltd.	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Total assets	9,099	8,552	3,719	2,969	407	459
Total liabilities	6,438	6,136	674	634	39	29
<b>Net assets</b>	2,661	2,416	3,045	2,335	368	430
Shareholding percentage (%)	50.00	50.00	19.97	19.86	22.17	22.17
<b>Carrying amounts of the associate based on equity method</b>	1,330	1,208	608	464	82	95

## Summarised information about comprehensive income

(Unit: Million Baht)

	For the years ended 31 December					
	Krungthai-AXA Life Insurance Plc. <sup>(1)</sup>		Krungthai Panich Insurance Plc. <sup>(1)</sup>		Krung Thai IBJ Leasing Co., Ltd.	
	2021	2020	2021	2020	2021	2020
Revenue	59,450	64,919	3,235	2,920	1,148	1,038
Profit (loss)	439	2,872	674	701	274	275
Other comprehensive income	(17,953)	(5,411)	2,383	(168)	-	-
Total comprehensive income	(17,514)	(2,539)	3,057	533	274	275

(Unit: Million Baht)

	For the years ended 31 December					
	Krungthai Zmico Securities Co., Ltd.		National ITMX Co., Ltd.		BCI (Thailand) Co., Ltd.	
	2021	2020	2021	2020	2021	2020
Revenue	1,916	1,368	2,107	1,389	27	32
Profit (loss)	373	138	1,086	595	(62)	(60)
Other comprehensive income	(3)	43	-	-	-	-
Total comprehensive income	370	181	1,086	595	(62)	(60)

(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 2021	31 December 2020	31 December 2021	31 December 2020
Overdrafts	149,347	155,037	149,347	155,037
Loans	1,748,643	1,592,453	1,663,269	1,504,951
Bills	725,838	581,389	730,568	590,829
Hire-purchase receivables	1006	1,618	1	1
Finance lease receivables	683	957	-	-
Others	3,742	3,787	1,983	1,270
<u>Less</u> Deferred revenue	(296)	(399)	(47)	(66)
Total loans to customers net of deferred revenue	2,628,963	2,334,842	2,545,121	2,252,022
<u>Add</u> Accrued interest receivables	20,579	16,199	19,992	15,657
Total loans to customers net of deferred revenue, plus accrued interest receivables	2,649,542	2,351,041	2,565,113	2,267,679
<u>Less</u> Allowance for expected credit losses	(173,322)	(150,528)	(163,650)	(140,590)
Total loans to customers and accrued interest receivables - net	2,476,220	2,200,513	2,401,463	2,127,089

As at 31 December 2021, the Bank has loans to customers including loans with modification of contracts, that the Bank has elected to adopt Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy in the preparation of the financial statements, representing 13 percent of total loans (2020: 16 percent of total loans).

As at 31 December 2021, 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 50,889 million.



## 8.8.2 Classified by loans currency and residence

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2021			31 December 2020		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,533,075	25,391	2,558,466	2,252,468	25,952	2,278,420
US Dollar	33,390	35,941	69,331	25,122	30,459	55,581
Other currencies	638	528	1,166	817	24	841
Total*	2,567,103	61,860	2,628,963	2,278,407	56,435	2,334,842

\* Total loans net of deferred revenues

(Unit: Million Baht)

	Separate financial statements					
	31 December 2021			31 December 2020		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,449,233	25,391	2,474,624	2,169,648	25,952	2,195,600
US Dollar	33,390	35,941	69,331	25,122	30,459	55,581
Other currencies	638	528	1,166	817	24	841
Total*	2,483,261	61,860	2,545,121	2,195,587	56,435	2,252,022

\* 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 2021	31 December 2020	31 December 2021	31 December 2020
Agriculture and mining	29,325	24,424	29,190	24,267
Manufacturing and trading	538,612	504,670	537,398	503,167
Real estate and construction	136,595	128,957	136,055	128,112
Public utilities and services	776,907	583,746	777,740	584,481
Housing loans	445,011	430,281	445,011	430,281
Others	702,513	662,764	619,727	581,714
Total *	2,628,963	2,334,842	2,545,121	2,252,022

\* Total loans net of deferred revenues

## 8.8.4 Classified by loans classification

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2021		31 December 2020	
	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)	2,306,478	44,722	2,013,375	32,093
Financial assets where there has been a significant increase in credit risk (Under-Performing)	228,443	48,923	223,501	41,627
Financial assets that are credit-impaired (Non-Performing)	111,422	77,334	109,407	74,204
Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	3,199	2,343	4,758	2,604
Total	2,649,542	173,322	2,351,041	150,528

(Unit: Million Baht)

	Separate financial statements			
	31 December 2021		31 December 2020	
	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)	2,237,272	40,824	1,947,443	28,249
Financial assets where there has been a significant increase in credit risk (Under-Performing)	218,021	46,558	212,431	39,183
Financial assets that are credit-impaired (Non-Performing)	109,820	76,268	107,805	73,158
Total	2,565,113	163,650	2,267,679	140,590

8.8.5 As at 31 December 2021 and 2020, 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 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
		Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies that are possible to delisting from the SET	1	-	5,705	-	5,705
2. Listed companies that have been delisted from the SET	1	1	8,255	8,410	4,659
				4,736	

## 8.8.6 Finance lease receivables (including hire-purchase receivables and finance lease receivables)

(Unit: Million Baht)

	Consolidated financial statements							
	31 December 2021				31 December 2020			
	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	673	960	56	1,689	1,100	1,290	185	2,575
<u>Less</u> Unearned financial income				(249)				(333)
Present value of minimum lease payments				1,440				2,242
<u>Less</u> Allowance for expected credit losses				(716)				(501)
Finance lease receivables - net				724				1,741

(Unit: Million Baht)

	Separate financial statements							
	31 December 2021				31 December 2020			
	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	-	-	1	1	-	-	1
<u>Less</u> Unearned financial income				-				-
Present value of minimum leases payments				1				1
<u>Less</u> Allowance for expected credit losses				(1)				(1)
Finance lease receivables - net				-				-

## 8.9 Allowance for expected credit losses

(Unit: Million Baht)

Consolidated financial statements					
31 December 2021					
	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
<b>Interbank and money market items (assets)</b>					
Beginning balance	2,568	169	-	-	2,737
Changes due to remeasurement of loss allowance	(579)	1	-	-	(578)
New financial assets purchased or acquired	315	24	-	-	339
Derecognition of financial assets	(106)	(108)	-	-	(214)
Ending balance	2,198	86	-	-	2,284
<b>Investments in debt securities measured at amortised cost</b>					
Beginning balance	1	10	36	-	47
Changes due to remeasurement of loss allowance	(1)	-	-	-	(1)
New financial assets purchased or acquired	-	10	-	-	10
Derecognition of financial assets	-	(10)	-	-	(10)
Ending balance	-	10	36	-	46
<b>Investments in debt securities measured at fair value through other comprehensive income</b>					
Beginning balance	42	-	926	-	968
Changes due to remeasurement of loss allowance	(16)	-	-	-	(16)
New financial assets purchased or acquired	9	-	-	-	9
Derecognition of financial assets	(1)	-	-	-	(1)
Ending balance	34	-	926	-	960



(Unit: Million Baht)

## Consolidated financial statements

31 December 2021

	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
<b>Loans to customers and accrued interest receivables</b>					
Beginning balance	32,093	41,627	74,204	2,604	150,528
Changes due to staging of financial assets	5,615	(3,841)	(1,774)	-	-
Changes due to remeasurement of loss allowance	3,856	11,209	16,168	593	31,826
New financial assets purchased or acquired	4,931	2,197	1,402	-	8,530
Derecognition of financial assets	(1,768)	(2,226)	(2,813)	-	(6,807)
Bad debt written-off	(5)	(43)	(9,853)	(854)	(10,755)
Ending balance	44,722	48,923	77,334	2,343	173,322

(Unit: Million Baht)

Consolidated financial statements						
31 December 2020						
	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)	Allowance for doubtful accounts	Total
<b>Interbank and money market items (assets)</b>						
Beginning balance	-	-	-	-	1,235	1,235
Changes due to the adoption of new accounting standards <sup>(1)</sup>	505	1,126	4	-	(1,235)	400
	505	1,126	4	-	-	1,635
Changes due to staging of financial assets	5	(5)	-	-	-	-
Changes due to remeasurement of loss allowance	1,860	(962)	-	-	-	898
New financial assets purchased or acquired	199	19	-	-	-	218
Derecognition of financial assets	(1)	(9)	(4)	-	-	(14)
Ending balance	2,568	169	-	-	-	2,737
<b>Investments in debt securities measured at amortised cost</b>						
Beginning balance	-	-	-	-	36	36
Changes due to the adoption of new accounting standards <sup>(1)</sup>	1	1	36	-	(36)	2
	1	1	36	-	-	38
Changes due to remeasurement of loss allowance	-	6	-	-	-	6
New financial assets purchased or acquired	-	3	-	-	-	3
Ending balance	1	10	36	-	-	47

(Unit: Million Baht)

Consolidated financial statements						
31 December 2020						
	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 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)	Allowance for doubtful accounts	Total
<b>Investments in debt securities measured at fair value through other comprehensive income</b>						
Beginning balance	-	-	-	-	79	79
Changes due to the adoption of new accounting standards <sup>(1)</sup>	12	8	79	-	(79)	20
	12	8	79	-	-	99
Changes due to remeasurement of loss allowance	3	-	847	-	-	850
New financial assets purchased or acquired	29	-	-	-	-	29
Derecognition of financial assets	(2)	(8)	-	-	-	(10)
Ending balance	42	-	926	-	-	968
<b>Loans to customers and accrued interest receivables</b>						
Beginning balance	-	-	-	-	135,228	135,228
Changes due to the adoption of new accounting standards <sup>(1)</sup>	24,530	43,954	62,070	2,919	(135,228)	(1,755)
	24,530	43,954	62,070	2,919	-	133,473
Changes due to staging of financial assets	7,281	(9,030)	1,749	-	-	-
Changes due to remeasurement of loss allowance	(1,531)	7,268	34,391	(199)	-	39,929
New financial assets purchased or acquired	3,962	1,081	1,362	-	-	6,405
Derecognition of financial assets	(1,910)	(764)	(1,258)	-	-	(3,932)
Bad debt written-off	(239)	(882)	(24,110)	(200)	-	(25,431)
Bad debt recovery	-	-	-	84	-	84
Ending balance	32,093	41,627	74,204	2,604	-	150,528

(1) Allowance for doubtful accounts at the beginning of the year is determined in accordance with the Bank of Thailand's regulations. Currently, they are shown as 12-mth ECL and Lifetime ECL according to the principles of TFRS 9, without retrospective adjustment.

(Unit: Million Baht)

Separate financial statements				
31 December 2021				
	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
<b>Interbank and money market items (assets)</b>				
Beginning balance	2,568	169	-	2,737
Changes due to remeasurement of loss allowance	(579)	1	-	(578)
New financial assets purchased or acquired	315	24	-	339
Derecognition of financial assets	(106)	(108)	-	(214)
Ending balance	2,198	86	-	2,284
<b>Investments in debt securities measured at amortised cost</b>				
Beginning balance	1	10	36	47
Changes due to remeasurement of loss allowance	(1)	-	-	(1)
New financial assets purchased or acquired	-	10	-	10
Derecognition of financial assets	-	(10)	-	(10)
Ending balance	-	10	36	46
<b>Investments in debt securities measured at fair value through other comprehensive income</b>				
Beginning balance	42	-	926	968
Changes due to remeasurement of loss allowance	(16)	-	-	(16)
New financial assets purchased or acquired	9	-	-	9
Derecognition of financial assets	(1)	-	-	(1)
Ending balance	34	-	926	960
<b>Loans to customers and accrued interest receivables</b>				
Beginning balance	28,249	39,183	73,158	140,590
Changes due to staging of financial assets	5,280	(3,427)	(1,853)	-
Changes due to remeasurement of loss allowance	4,241	10,020	10,504	24,765
New financial assets purchased or acquired	4,413	2,197	1,402	8,012
Derecognition of financial assets	(1,354)	(1,372)	(1,960)	(4,686)
Bad debt written-off	(5)	(43)	(4,983)	(5,031)
Ending balance	40,824	46,558	76,268	163,650

(Unit: Million Baht)

Separate financial statements					
31 December 2020					
	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)	Allowance for doubtful accounts	Total
<b>Interbank and money market items (assets)</b>					
Beginning balance	-	-	-	1,235	1,235
Changes due to the adoption of new accounting standards <sup>(1)</sup>	505	1,126	4	(1,235)	400
	505	1,126	4	-	1,635
Changes due to staging of financial assets	5	(5)	-	-	-
Changes due to remeasurement of loss allowance	1,860	(962)	-	-	898
New financial assets purchased or acquired	199	19	-	-	218
Derecognition of financial assets	(1)	(9)	(4)	-	(14)
Ending balance	2,568	169	-	-	2,737
<b>Investments in debt securities measured at amortised cost</b>					
Beginning balance	-	-	-	36	36
Changes due to the adoption of new accounting standards <sup>(1)</sup>	1	1	36	(36)	2
	1	1	36	-	38
Changes due to remeasurement of loss allowance	-	6	-	-	6
New financial assets purchased or acquired	-	3	-	-	3
Ending balance	1	10	36	-	47
<b>Investments in debt securities measured at fair value through other comprehensive income</b>					
Beginning balance	-	-	-	79	79
Changes due to the adoption of new accounting standards <sup>(1)</sup>	12	8	79	(79)	20
	12	8	79	-	99
Changes due to remeasurement of loss allowance	3	-	847	-	850
New financial assets purchased or acquired	29	-	-	-	29
Derecognition of financial assets	(2)	(8)	-	-	(10)
Ending balance	42	-	926	-	968

(Unit: Million Baht)

Separate financial statements					
31 December 2020					
	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)	Allowance for doubtful accounts	Total
<b>Loans to customers and accrued interest receivables</b>					
Beginning balance	-	-	-	126,732	126,732
Changes due to the adoption of new accounting standards <sup>(1)</sup>	22,204	41,956	60,817	(126,732)	(1,755)
	22,204	41,956	60,817	-	124,977
Changes due to staging of financial assets	6,449	(8,448)	1,999	-	-
Changes due to remeasurement of loss allowance	(1,751)	5,740	28,695	-	32,684
New financial assets purchased or acquired	3,331	1,081	1,362	-	5,774
Derecognition of financial assets	(1,745)	(264)	(525)	-	(2,534)
Bad debt written-off	(239)	(882)	(19,190)	-	(20,311)
Ending balance	28,249	39,183	73,158	-	140,590

(1) Allowance for doubtful accounts at the beginning of the year is determined in accordance with the Bank of Thailand's regulations. Currently, they are shown as 12-mth ECL and Lifetime ECL according to the principles of TFRS 9, without retrospective adjustment.



## 8.10 Properties for sale - net

Properties for sale as of 31 December 2021 and 2020 are summarised as follows:

(Unit: Million Baht)

Type of properties for sale	Consolidated financial statements							
	31 December 2021				31 December 2020			
	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance
Assets from debt repayment								
Immovable properties	39,588	12,280	(4,780)	47,088	40,136	4,381	(4,929)	39,588
Movable assets	171	105	(131)	145	192	131	(152)	171
Total	39,759	12,385	(4,911)	47,233	40,328	4,512	(5,081)	39,759
Others	677	6	(213)	470	69	974	(366)	677
Properties for sale in transit	650	2,138	(2,448)	340	986	1,923	(2,259)	650
Total	41,086	14,529	(7,572)	48,043	41,383	7,409	(7,706)	41,086
<u>Less</u> Allowance for impairment	(8,427)	(2,190)	1,801	(8,816)	(9,201)	(1,575)	2,349	(8,427)
Properties for sale - net	32,659	12,339	(5,771)	39,227	32,182	5,834	(5,357)	32,659

(Unit: Million Baht)

Type of properties for sale	Separate financial statements							
	31 December 2021				31 December 2020			
	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance
Assets from debt repayment								
Immovable properties	39,588	12,280	(4,780)	47,088	40,136	4,381	(4,929)	39,588
Movable assets	11	-	-	11	111	11	(111)	11
Total	39,599	12,280	(4,780)	47,099	40,247	4,392	(5,040)	39,599
Others (closed branches)	675	6	(211)	470	69	968	(362)	675
Properties for sale in transit	650	2,138	(2,448)	340	986	1,923	(2,259)	650
Total	40,924	14,424	(7,439)	47,909	41,302	7,283	(7,661)	40,924
<u>Less</u> Allowance for impairment	(8,355)	(2,077)	1,706	(8,726)	(9,126)	(1,541)	2,312	(8,355)
Properties for sale - net	32,569	12,347	(5,733)	39,183	32,176	5,742	(5,349)	32,569

During the years ended 31 December 2021 and 2020, the Bank had gains on sales of properties for sale totaling Baht 432 million and losses on sales of properties for sale totaling Baht 309 million, respectively (excluding revenue from ownership transfer fees paid by customers totaling Baht 71 million and Baht 58 million, respectively, and selling expenses of Baht 292 million and Baht 225 million, respectively).

Immovable assets for sale classified by external and internal appraisers as at 31 December 2021 and 2020 consist of the following:

(Unit: Million Baht)

	Consolidated and separate financial statements	
	31 December 2021	31 December 2020
Immovable assets for sale - assets from debt repayment		
Appraised by external appraisers	45,755	38,599
Appraised by internal appraisers	1,333	989
Total	47,088	39,588

During the year ended 31 December 2021, the Bank 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 7,892 million and has properties for sale amounting to Baht 7,892 million. However, loan customers participating in the program have entered into contracts lease back the assets from the Bank for use in their operations and have been granted rights to purchase the assets back within 3 - 5 years at the purchase price plus the cost of keeping the assets and other expenses related to the maintenance of the assets, less rental.

## 8.11 Land, premises and equipment - net

Movement of land, premises and equipment for the years ended 31 December 2021 and 2020 are summarised as follows:

(Unit: Million Baht)

Consolidated financial statements						
31 December 2021						
	Land					
	Cost	Revaluation*	Premises	Equipment	Others	Total
<u>Cost</u>						
1 January 2021	5,778	10,399	12,616	23,780	976	53,549
Additions/transfers-in	-	7,293	242	1,608	280	9,423
Disposals/transfers-out	-	-	(309)	(1,483)	(262)	(2,054)
Others	1	2	6	6	(2)	13
31 December 2021	5,779	17,694	12,555	23,911	992	60,931
<u>Accumulated depreciation</u>						
1 January 2021	-	-	8,850	19,106	766	28,722
Depreciation	-	-	220	1,566	63	1,849
Disposals	-	-	(60)	(1,148)	(5)	(1,213)
Others	-	-	3	5	-	8
31 December 2021	-	-	9,013	19,529	824	29,366
<u>Allowance for impairment</u>						
1 January 2021	49	-	16	-	-	65
Disposals/transfers-out	(18)	-	-	-	-	(18)
31 December 2021	31	-	16	-	-	47
<u>Net book value</u>						
31 December 2021	5,748	17,694	3,526	4,382	168	31,518
Depreciation for the years ended 31 December						
2020						1,799
2021						1,849

\* The Bank has revaluation in 2021.

(Unit: Million Baht)

Consolidated financial statements						
31 December 2020						
	Land					
	Cost	Revaluation*	Premises	Equipment	Others	Total
<u>Cost</u>						
1 January 2020	5,848	10,258	12,375	22,990	896	52,367
Additions/transfers-in	7	364	359	2,033	1,777	4,540
Disposals/transfers-out	(77)	(223)	(118)	(1,243)	(1,697)	(3,358)
31 December 2020	5,778	10,399	12,616	23,780	976	53,549
<u>Accumulated depreciation</u>						
1 January 2020	-	-	8,724	18,653	724	28,101
Depreciation	-	-	235	1,506	58	1,799
Disposals	-	-	(109)	(1,053)	(16)	(1,178)
31 December 2020	-	-	8,850	19,106	766	28,722
<u>Allowance for impairment</u>						
1 January 2020	49	-	16	-	-	65
31 December 2020	49	-	16	-	-	65
<u>Net book value</u>						
31 December 2020	5,729	10,399	3,750	4,674	210	24,762

\* The Bank has revaluation in 2016.

(Unit: Million Baht)

	Separate financial statements					
	31 December 2021					
	Land		Premises	Equipment	Others	Total
	Cost	Revaluation*				
<u>Cost</u>						
1 January 2021	5,991	10,035	11,421	13,512	976	41,935
Additions/transfers-in	-	7,293	60	396	227	7,976
Disposals/transfers-out	-	-	(3)	(132)	(238)	(373)
Others	1	2	6	6	(2)	13
31 December 2021	5,992	17,330	11,484	13,782	963	49,551
<u>Accumulated depreciation</u>						
1 January 2021	-	-	8,148	11,057	766	19,971
Depreciation	-	-	165	797	63	1,025
Disposals	-	-	(3)	(131)	(5)	(139)
Others	-	-	3	5	-	8
31 December 2021	-	-	8,313	11,728	824	20,865
<u>Allowance for impairment</u>						
1 January 2021	49	-	16	-	-	65
Disposals/transfers-out	(18)	-	-	-	-	(18)
31 December 2021	31	-	16	-	-	47
<u>Net book value</u>						
31 December 2021	5,961	17,330	3,155	2,054	139	28,639
Depreciation for the years ended 31 December						
2020						1,150
2021						1,025

\* The Bank has revaluation in 2021.

(Unit: Million Baht)

	Separate financial statements					
	31 December 2020					
	Land		Premises	Equipment	Others	Total
	Cost	Revaluation*				
<u>Cost</u>						
1 January 2020	6,065	10,258	11,455	12,837	873	41,488
Additions/transfers-in	3	-	49	891	1,725	2,668
Disposals/transfers-out	(77)	(223)	(83)	(216)	(1,622)	(2,221)
31 December 2020	5,991	10,035	11,421	13,512	976	41,935
<u>Accumulated depreciation</u>						
1 January 2020	-	-	8,028	10,377	724	19,129
Depreciation	-	-	200	892	58	1,150
Disposals	-	-	(80)	(212)	(16)	(308)
31 December 2020	-	-	8,148	11,057	766	19,971
<u>Allowance for impairment</u>						
1 January 2020	49	-	16	-	-	65
31 December 2020	49	-	16	-	-	65
<u>Net book value</u>						
31 December 2020	5,942	10,035	3,257	2,455	210	21,899

\* The Bank has revaluation in 2016.

As at 31 December 2021 and 2020, 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 19,473 million and Baht 19,198 million, respectively (separate financial statements: Baht 13,174 million and Baht 12,200 million, respectively).

The Bank arranged for an independent professional 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 2021 and 2020 are summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Balance - beginning of the year	8,580	8,206	8,289	8,206
Increased during the year <sup>(1)</sup>	5,836	418	5,836	127
Transfer out during the year	(120)	(44)	(120)	(44)
Balance - end of the year	14,296	8,580	14,005	8,289

(1) Include the adjustment for the transfer of land of closed branches to properties for sale.

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 year ended 31 December 2021 and 2020 are summarised as follows:

(Unit: Million Baht)

Consolidated financial statements					
31 December 2021					
	Premises	Equipment	Vehicles	Software License	Total
<u>Cost</u>					
1 January 2021	4,336	445	1,501	-	6,282
Additions/transfers-in	1,693	180	420	9	2,302
Disposals/transfers-out	(1,194)	(119)	(130)	-	(1,443)
Others	4	-	-	1	5
31 December 2021	4,839	506	1,791	10	7,146
<u>Accumulated depreciation</u>					
1 January 2021	1,305	100	403	-	1,808
Depreciation	1,658	134	419	2	2,213
Disposals	(919)	(101)	(128)	-	(1,148)
Others	2	-	(1)	-	1
31 December 2021	2,046	133	693	2	2,874
<u>Net book value</u>					
31 December 2021	2,793	373	1,098	8	4,272
Depreciation for the years ended 31 December					
2020					2,234
2021					2,213

(Unit: Million Baht)

Consolidated financial statements				
31 December 2020				
	Premises	Equipment	Vehicles	Total
<u>Cost</u>				
1 January 2020 <sup>(1)</sup>	2,518	231	1,146	3,895
Additions/transfers-in	2,478	339	420	3,237
Disposals/transfers-out	(660)	(125)	(65)	(850)
31 December 2020	4,336	445	1,501	6,282
<u>Accumulated depreciation</u>				
1 January 2020 <sup>(1)</sup>	-	-	-	-
Depreciation	1,657	130	447	2,234
Disposals	(352)	(30)	(44)	(426)
31 December 2020	1,305	100	403	1,808
<u>Net book value</u>				
31 December 2020	3,031	345	1,098	4,474

(1) The beginning balance is presented in accordance with the adjustment of rights-of-use assets from the first-time adoption of TFRS16.

(Unit: Million Baht)

	Separate financial statements			
	31 December 2021			
	Premises	Vehicles	Software License	Total
<u>Cost</u>				
1 January 2021	3,705	1,337	-	5,042
Additions/transfers-in	1,617	407	9	2,033
Disposals/transfers-out	(1,176)	(124)	-	(1,300)
Others	4	-	1	5
31 December 2021	4,150	1,620	10	5,780
<u>Accumulated depreciation</u>				
1 January 2021	1,125	346	-	1,471
Depreciation	1,478	383	2	1,863
Disposals	(918)	(123)	-	(1,041)
Others	2	(1)	-	1
31 December 2021	1,687	605	2	2,294
<u>Net book value</u>				
31 December 2021	2,463	1,015	8	3,486
Depreciation for the years ended 31 December				
2020				1,865
2021				1,863

(Unit: Million Baht)

	Separate financial statements		
	31 December 2020		
	Premises	Vehicles	Total
<u>Cost</u>			
1 January 2020 <sup>(1)</sup>	2,346	1,088	3,434
Additions/transfers-in	2,016	305	2,321
Disposals/transfers-out	(657)	(56)	(713)
31 December 2020	3,705	1,337	5,042
<u>Accumulated depreciation</u>			
1 January 2020 <sup>(1)</sup>	-	-	-
Depreciation	1,477	388	1,865
Disposals	(352)	(42)	(394)
31 December 2020	1,125	346	1,471
<u>Net book value</u>			
31 December 2020	2,580	991	3,571

(1) The beginning balance is presented in accordance with the adjustment of rights-of-use assets from the first-time adoption of TFRS16.

## 8.12.2 Lease liabilities

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
Lease payments				
Up to 1 years	1,958	2,078	1,513	1,592
Over 1 - 5 years	2,318	2,526	1,892	1,980
Over 5 years	190	63	190	63
Total	4,466	4,667	3,595	3,635
<u>Less: Deferred interest expenses</u>	(189)	(163)	(146)	(106)
Total	4,277	4,504	3,449	3,529

## 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	
	2021	2020	2021	2020
Depreciation expense of right-of-use assets	2,213	2,234	1,863	1,865
Interest expense on lease liabilities	84	101	52	60
Expense relating to short-term leases	430	442	276	382
Expense relating to leases of low-value assets	91	181	58	26
Total	2,818	2,958	2,249	2,333

## 8.12.4 Others

The Bank and its subsidiaries had total cash outflows for leases for the years ended 31 December 2021 and 2020 of Baht 2,934 million and Baht 3,027 million, respectively (Separate financial statements: Baht 2,300 million and Baht 2,498 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 2021 and 2020 are summarised as follows:

(Unit: Million Baht)

Consolidated financial statements					
31 December 2021					
	Computer software	Other licenses	Development cost	Intangible assets under development	Total
<u>Cost</u>					
1 January 2021	10,041	14	4,324	694	15,073
Additions/transfers-in	6,113	-	-	3,894	10,007
Disposals/transfers-out	(28)	-	(2)	(3,861)	(3,891)
Others	1	-	-	1	2
31 December 2021	16,127	14	4,322	728	21,191
<u>Accumulated amortisation</u>					
1 January 2021	5,492	12	3,564	-	9,068
Amortisation	1,079	-	199	-	1,278
Disposals/transfers-out	-	-	(2)	-	(2)
Others	-	-	-	-	-
31 December 2021	6,571	12	3,761	-	10,344
<u>Allowance for impairment</u>					
1 January 2021	-	-	-	-	-
Additions	1	-	-	-	1
31 December 2021	1	-	-	-	1
<u>Net book value</u>					
31 December 2021	9,555	2	561	728	10,846
Amortisation for the years ended 31 December					
2020					993
2021					1,278

(Unit: Million Baht)

Consolidated financial statements					
31 December 2020					
	Computer software	Other licenses	Development cost	Intangible assets under development	Total
<u>Cost</u>					
1 January 2020	7,225	14	4,286	468	11,993
Additions/transfers-in	2,829	-	42	2,644	5,515
Disposals/transfers-out	(13)	-	(4)	(2,418)	(2,435)
31 December 2020	10,041	14	4,324	694	15,073
<u>Accumulated amortisation</u>					
1 January 2020	4,742	11	3,340	-	8,093
Amortisation	764	1	228	-	993
Disposal	(14)	-	(4)	-	(18)
31 December 2020	5,492	12	3,564	-	9,068
<u>Net book value</u>					
31 December 2020	4,549	2	760	694	6,005

(Unit: Million Baht)

Separate financial statements					
31 December 2021					
	Computer software	Other licenses	Development cost	Intangible assets under development	Total
<u>Cost</u>					
1 January 2021	4,093	7	757	595	5,452
Additions/transfers-in	6,061	-	-	3,852	9,913
Disposals/transfers-out	(28)	-	(2)	(3,809)	(3,839)
Others	1	-	-	1	2
31 December 2021	10,127	7	755	639	11,528
<u>Accumulated amortisation</u>					
1 January 2021	1,050	5	503	-	1,558
Amortisation	653	-	54	-	707
Disposals/transfers-out	-	-	(2)	-	(2)
Others	-	-	-	-	-
31 December 2021	1,703	5	555	-	2,263
<u>Allowance for impairment</u>					
1 January 2021	-	-	-	-	-
Additions	1	-	-	-	1
31 December 2021	1	-	-	-	1
<u>Net book value</u>					
31 December 2021	8,423	2	200	639	9,264
Amortisation for the years ended 31 December					
2020					343
2021					707



(Unit: Million Baht)

Separate financial statements					
31 December 2020					
	Computer software	Other licenses	Development cost	Intangible assets under development	Total
<u>Cost</u>					
1 January 2020	1,494	7	735	392	2,628
Additions/transfers-in	2,610	-	26	2,507	5,143
Disposals/transfers-out	(11)	-	(4)	(2,304)	(2,319)
31 December 2020	4,093	7	757	595	5,452
<u>Accumulated amortisation</u>					
1 January 2020	776	5	449	-	1,230
Amortisation	286	-	57	-	343
Disposal	(12)	-	(3)	-	(15)
31 December 2020	1,050	5	503	-	1,558
<u>Net book value</u>					
31 December 2020	3,043	2	254	595	3,894

As at 31 December 2021 and 2020, 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 6,067 million and Baht 5,056 million, respectively (separate financial statements: Baht 898 million and Baht 886 million, respectively).

## 8.14 Deferred tax assets/liabilities and income tax

### 8.14.1 Deferred tax assets/liabilities

As at 31 December 2021 and 2020, deferred tax assets and liabilities are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Deferred tax assets	11,591	11,567	8,767	8,931
Deferred tax liabilities	(6,802)	(5,686)	(6,513)	(5,370)
Net	4,789	5,881	2,254	3,561

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	31 December	31 December	Changes of deferred tax for	
	2021	2020	the years ended 31 December	
			2021	2020
Deferred tax assets:				
Investments	686	585	101	159
Investment in subsidiaries and associated companies	-	-	-	(160)
Loans to customers and accrued interest receivable	2,148	2,309	(161)	(3,142)
Properties for sale	1,919	1,671	248	(154)
Land, premises and equipment	11	16	(5)	(2)
Provisions	4,070	4,057	13	1,201
Unused tax losses	17	6	11	6
Leases	91	88	3	88
Others	2,649	2,835	(186)	454
Total	11,591	11,567	24	(1,550)
Deferred tax liabilities:				
Investments	(2,803)	(2,474)	(329)	(313)
Land, premises and equipment	(3,904)	(2,444)	(1,460)	38
Leases	(83)	(79)	(4)	(79)
Others	(12)	(689)	677	(379)
Total	(6,802)	(5,686)	(1,116)	(733)
Net	4,789	5,881	(1,092)	(2,283)
Changes of deferred tax:				
Recognised in retained earning as of 1 January 2020 <sup>(1)</sup>			-	(214)
Recognised in other components of equity as of 1 January 2020 <sup>(1)</sup>			-	(516)
Recognised in profit or loss			683	(1,733)
Recognised in other comprehensive income			(1,775)	180
Total			(1,092)	(2,283)

(1) The effect of changes in accounting policies due to the adoption of new financial reporting standards.

(Unit: Million Baht)

	Separate financial statements			
	31 December 2021	31 December 2020	Changes of deferred tax for the years ended 31 December	
			2021	2020
Deferred tax assets:				
Investments	684	583	101	157
Investment in subsidiaries and associated companies	-	162	(162)	2
Loans to customers and accrued interest receivables	323	418	(95)	(3,123)
Properties for sale	1,919	1,671	248	(154)
Land, premises and equipment	9	13	(4)	-
Provisions	3,768	3,748	20	1,183
Others	2,064	2,336	(272)	479
Total	8,767	8,931	(164)	(1,456)
Deferred tax liabilities:				
Investments	(2,803)	(2,474)	(329)	(311)
Land, premises and equipment	(3,858)	(2,388)	(1,470)	34
Others	148	(508)	656	(403)
Total	(6,513)	(5,370)	(1,143)	(680)
Net	2,254	3,561	(1,307)	(2,136)
Changes of deferred tax:				
Recognised in retained earning as of 1 January 2020 <sup>(1)</sup>			-	(214)
Recognised in other components of equity as of 1 January 2020 <sup>(1)</sup>			-	(516)
Recognised in profit or loss			449	(1,650)
Recognised in other comprehensive income			(1,756)	244
Total			(1,307)	(2,136)

(1) The effect of changes in accounting policies due to the adoption of new financial reporting standards.

## 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 period that the changes occur.

Income tax expenses for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Current income tax:</b>				
Corporate income tax	6,729	2,708	4,877	1,134
Adjustment in respect of income tax	(71)	-	(33)	-
<b>Deferred tax:</b>				
Relating to temporary differences and reversal of temporary differences	(683)	1,733	(449)	1,650
<b>Income tax expenses reported in profit or loss</b>	<b>5,975</b>	<b>4,441</b>	<b>4,395</b>	<b>2,784</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax on surplus from revaluation of assets	1,459	105	1,459	32
Deferred tax on gains (losses) from hedge accounting	(28)	52	(28)	52
Deferred tax on gains (losses) from the changes in value of investments in debt instruments measured at fair value through other comprehensive income	(452)	188	(452)	189
Deferred tax on gains (losses) from the changes in value of investments in equity instruments designated at fair value through other comprehensive income	625	(364)	625	(364)
Deferred tax on actuarial gains and losses	171	(161)	152	(153)
	<u>1,775</u>	<u>(180)</u>	<u>1,756</u>	<u>(244)</u>

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Accounting profit before tax	30,531	23,880	23,832	16,076
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	6,106	4,776	4,766	3,215
Adjustment in respect of income tax	(70)	-	(33)	-
Effects of non-taxable revenue and non-deductible expenses - net	(61)	(335)	(338)	(431)
Income tax expenses reported in profit or loss	5,975	4,441	4,395	2,784

## 8.15 Other assets - net

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Prepaid expenses	1,729	1,380	1,161	1,074
Suspense debtors	4,361	3,917	4,497	4,040
Collateral under Credit Support Annex				
Contract and Cash Margin Debtors	6,404	16,490	6,404	16,490
Settlement account between the Bank and other financial institutions	104	627	38	627
Receivables from sale of securities	2,068	3,401	2,068	3,401
Others	9,233	9,066	9,772	9,038
Total	23,899	34,881	23,940	34,670
Less: Allowance for impairment	(3,793)	(3,566)	(3,784)	(3,566)
Other assets - net	20,106	31,315	20,156	31,104

As at 31 December 2021 and 2020, 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 8.40.1 to the consolidated financial statements).



## 8.16 Deposits

### 8.16.1 Classified by type of deposits

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Demand deposits	124,124	104,371	124,135	104,375
Saving deposits	2,078,745	1,826,080	2,082,289	1,828,935
Time of deposits	411,878	532,774	412,642	533,470
Total	<u>2,614,747</u>	<u>2,463,225</u>	<u>2,619,066</u>	<u>2,466,780</u>

### 8.16.2 Classified by customers currency and residence

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2021			31 December 2020		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,563,846	21,895	2,585,741	2,409,212	16,413	2,425,625
US Dollar	19,152	6,921	26,073	19,991	12,691	32,682
Other currencies	2,469	464	2,933	2,661	2,257	4,918
Total	<u>2,585,467</u>	<u>29,280</u>	<u>2,614,747</u>	<u>2,431,864</u>	<u>31,361</u>	<u>2,463,225</u>

(Unit: Million Baht)

	Separate financial statements					
	31 December 2021			31 December 2020		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,568,165	21,895	2,590,060	2,412,767	16,413	2,429,180
US Dollar	19,152	6,921	26,073	19,991	12,691	32,682
Other currencies	2,469	464	2,933	2,661	2,257	4,918
Total	<u>2,589,786</u>	<u>29,280</u>	<u>2,619,066</u>	<u>2,435,419</u>	<u>31,361</u>	<u>2,466,780</u>

## 8.17 Interbank and money market items (liabilities)

(Unit: Million Baht)

Consolidated financial statements						
31 December 2021			31 December 2020			
At call	Term	Total	At call	Term	Total	
<b>Domestic</b>						
Bank of Thailand and Financial						
Institutions Development Fund	146	31,061	31,207	261	13,538	13,799
Commercial banks	3,340	107,468	110,808	3,617	133,553	137,170
Specialised financial institutions	779	53,242	54,021	3,318	51,525	54,843
Other financial institutions	62,390	13,213	75,603	47,703	19,029	66,732
<b>Total domestic items</b>	<b>66,655</b>	<b>204,984</b>	<b>271,639</b>	<b>54,899</b>	<b>217,645</b>	<b>272,544</b>
<b>Foreign</b>						
US Dollar	246	23,879	24,125	384	1,376	1,760
Euro	393	-	393	106	-	106
Other currencies	187	-	187	156	-	156
<b>Total foreign items</b>	<b>826</b>	<b>23,879</b>	<b>24,705</b>	<b>646</b>	<b>1,376</b>	<b>2,022</b>
<b>Total</b>	<b>67,481</b>	<b>228,863</b>	<b>296,344</b>	<b>55,545</b>	<b>219,021</b>	<b>274,566</b>

(Unit: Million Baht)

Separate financial statements						
31 December 2021			31 December 2020			
At call	Term	Total	At call	Term	Total	
<b>Domestic</b>						
Bank of Thailand and Financial						
Institutions Development Fund	146	31,061	31,207	261	13,538	13,799
Commercial banks	594	107,469	108,063	475	130,554	131,029
Specialised financial institutions	779	52,241	53,020	3,318	51,525	54,843
Other financial institutions	62,390	13,013	75,403	47,703	19,029	66,732
<b>Total domestic items</b>	<b>63,909</b>	<b>203,784</b>	<b>267,693</b>	<b>51,757</b>	<b>214,646</b>	<b>266,403</b>
<b>Foreign</b>						
US Dollar	246	23,879	24,125	384	1,376	1,760
Euro	393	-	393	106	-	106
Other currencies	187	-	187	156	-	156
<b>Total foreign items</b>	<b>826</b>	<b>23,879</b>	<b>24,705</b>	<b>646</b>	<b>1,376</b>	<b>2,022</b>
<b>Total</b>	<b>64,735</b>	<b>227,663</b>	<b>292,398</b>	<b>52,403</b>	<b>216,022</b>	<b>268,425</b>

## 8.18 Debt issued and borrowings

As at 31 December 2021 and 2020, debt issued and borrowings are classified as follows:

(Unit: Million Baht)

				Consolidated financial statements					
				31 December 2021			31 December 2020		
	Currency	Interest rate (%)	Maturity date	Domestic	Foreign	Total	Domestic	Foreign	Total
<u>Long term bonds</u>									
2015	Baht	3.68 - 4.00	2022 - 2025	2,695	-	2,695	2,695	-	2,695
2016	Baht	3.00 - 4.00	2023 - 2026	8,070	-	8,070	13,825	-	13,825
2017	Baht	2.46 - 3.80	2022 - 2027	10,808	-	10,808	10,988	-	10,988
2018	Baht	2.35 - 3.83	2023 - 2028	4,128	-	4,128	5,327	-	5,327
2019	Baht	2.60 - 3.20	2022 - 2029	4,237	-	4,237	5,974	-	5,974
2020	Baht	1.93 - 2.65	2022 - 2030	3,414	-	3,414	3,462	-	3,462
2021	Baht	1.17 - 2.90	2023 - 2031	9,073	-	9,073	-	-	-
<u>KTB subordinated debentures</u>									
No.1/2017	Baht	3.40	2027	20,139	-	20,139	20,293	-	20,293
No.1/2019	Baht	3.70	2029	24,000	-	24,000	24,000	-	24,000
Additional Tier 1				-	19,698	19,698			
subordinated notes	US Dollar	4.40	No maturity				-	-	-
Structured notes	US Dollar	0.65 - 1.05	2022 - 2028	24,989	-	24,989	-	-	-
Structured notes	Baht	-	2026	2,566	-	2,566	-	-	-
Total				114,119	19,698	133,817	86,564	-	86,564

(Unit: Million Baht)

				Separate financial statements					
				31 December 2021			31 December 2020		
	Currency	Interest rate (%)	Maturity date	Domestic	Foreign	Total	Domestic	Foreign	Total
<u>KTB subordinated debentures</u>									
No.1/2017	Baht	3.40	2027	20,139	-	20,139	20,293	-	20,293
No.1/2019	Baht	3.70	2029	24,000	-	24,000	24,000	-	24,000
Additional Tier 1				-	19,698	19,698			
subordinated notes	US Dollar	4.40	No maturity				-	-	-
Structured notes	US Dollar	0.65 - 1.05	2022 - 2028	24,989	-	24,989	-	-	-
Structured notes	Baht	-	2026	2,566	-	2,566	-	-	-
Total				71,694	19,698	91,392	44,293	-	44,293

### 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 every three months until maturity and the payment of principle is linked with the USDTHB FX rate. The notes mature during the year 2022 to 2028 and have tenors of 1 year to 7 years. There is an option to early redeem the notes that subject to the conditions of the Bank, without the holder's consent.

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 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 both the holders and the Bank, according 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 Bank of Thailand.

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 Bank of Thailand 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 20,000 million of subordinated debenture No. 1/2017, comprising 20 million units of Baht 1,000 each. The debenture has a fixed interest rate of 3.40 percent per annum, with payment of interest to be made every three months until maturity, and a tenor of 10 years, maturing in 2027. There is an option to early redeem the debentures after 5 years, or after that subject to the conditions of the Bank, without the holder's consent.

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 every three months 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 subject to the conditions of the Bank, without the holder's consent.

## 8.19 Provisions

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Allowance for expected credit losses on loan commitments and financial guarantee contracts	4,705	4,588	4,705	4,588
Provisions for employee benefits - post employment	13,761	15,123	12,240	13,582
Provisions for employee benefits - others	1,428	-	1,428	-
Provisions for contingent losses from legal case	436	570	436	570
Other provisions	34	6	28	-
<b>Total provisions</b>	<b>20,364</b>	<b>20,287</b>	<b>18,837</b>	<b>18,740</b>

## 8.19.1 Allowance for expected credit losses on loan commitments and financial guarantee contracts

As at 31 December 2021 and 2020, 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 2021	
	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)	1,260,128	1,945
Financial assets where there has been a significant increase in credit risk (Under-Performing)	120,527	2,244
Financial assets that are credit-impaired (Non-Performing)	6,370	516
Total	1,387,025	4,705

(Unit: Million Baht)

	Consolidated and separate financial statements	
	31 December 2020	
	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)	1,260,725	1,027
Financial assets where there has been a significant increase in credit risk (Under-Performing)	100,270	2,691
Financial assets that are credit-impaired (Non-Performing)	8,253	870
Total	1,369,248	4,588

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 2021				
	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	1,027	2,691	870	4,588
Changes due to staging of financial assets	964	(939)	(25)	-
Changes due to remeasurement of loss allowance	(109)	504	(92)	303
New issued obligations to grant credit/ guarantees	140	150	5	295
Derecognition of financial assets	(77)	(162)	(220)	(459)
Bad debt written-off	-	-	(22)	(22)
Ending balance	1,945	2,244	516	4,705

(Unit: Million Baht)

	Consolidated and separate financial statements				
	31 December 2020				
	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)	Allowance for doubtful accounts	Total
Beginning balance	-	-	-	116	116
Changes due to the adoption of new accounting standards <sup>(1)</sup>	744	663	223	(116)	1,514
	744	663	223	-	1,630
Changes due to staging of financial assets	192	(194)	2	-	-
Changes due to remeasurement of loss allowance	1	2,148	467	-	2,616
New issued obligations to grant credit/ guarantees	131	98	220	-	449
Derecognition of financial assets	(41)	(23)	(2)	-	(66)
Bad debt written-off	-	(1)	(40)	-	(41)
Ending balance	1,027	2,691	870	-	4,588

(1) Allowance for doubtful accounts at the beginning of the year is determined in accordance with the Bank of Thailand's regulation. Currently, they are shown as 12-mth ECL and Lifetime ECL according to the principles of TFRS 9, without retrospective adjustment.



## 8.19.2 Provisions for employee benefits - post employment

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Defined benefit obligation at the beginning of the year	15,123	14,419	13,582	12,973
Included in profit or loss:				
Current service cost	999	918	835	786
Interest cost	257	266	233	241
Curtailment	(863)	(490)	(863)	(490)
Included in other comprehensive income:				
Actuarial (gains) losses arising from:				
- Demographic assumptions changes	78	1	82	(1)
- Financial assumptions changes	(888)	375	(773)	399
- Experience adjustments	(45)	430	(66)	365
(Transferred out) / Transferred in	-	-	(11)	-
Benefits paid during the year	(900)	(796)	(779)	(691)
Defined benefit obligation at the end of the year	13,761	15,123	12,240	13,582

As at 31 December 2021 and 2020, the Bank and its subsidiaries expect to pay Baht 816 million and Baht 710 million, respectively, in long-term employee benefits during the next one year (separate financial statements: Baht 705 million and Baht 623 million, respectively).

The principal actuarial assumptions

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Discount rate (Percent per annum)	1.31 - 2.56	1.28 - 1.79	2.14	1.51 - 1.60
Future salary increase rate (Percent per annum)	3.00 - 6.00	3.00 - 6.00	6.00	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 financial statements		Separate financial statements	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Discount rate				
Increase 1%	(1,210)	(1,548)	(1,076)	(1,400)
Decrease 1%	1,439	1,854	1,284	1,682
Future salary increase rate				
Increase 1%	1,124	1,301	991	1,153
Decrease 1%	(970)	(1,118)	(852)	(988)

As at 31 December 2021 and 2020, the weighted average durations of the liabilities for long-term employee benefit obligation of the Bank and its subsidiaries are 5 - 16 years and 8 - 16 years, respectively (separate financial statements: 11 years and 12 - 16 years, respectively).

## 8.19.3 Provisions for contingent losses from legal case

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Balance at the beginning of the year	570	698	570	687
Increase during the year	159	125	159	125
Utilised	(270)	(222)	(270)	(222)
Reversal of provisions	(23)	(31)	(23)	(20)
Balance at the end of the year	436	570	436	570

## 8.20 Other liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Accrued interest expenses	3,571	3,554	3,301	3,227
Accrued expenses	12,306	11,515	10,476	10,448
Interbranch account	15	135	15	135
Suspense account creditors	4,783	4,597	4,241	3,508
Tax payables	3,523	2,059	2,616	1,191
Deferred revenue for reward points	2,481	2,346	-	-
Settle account between the Bank and other financial institutions	759	993	368	531
Advanced account	6,926	6,715	6,926	6,715
Cheque in transit	5,264	5,939	5,264	5,939
Payables from trading securities	1,995	3,401	1,995	3,401
Other liabilities	16,701	12,113	16,084	10,946
Total	58,324	53,367	51,286	46,041

## 8.21 Share capital

### 8.21.1 Ordinary shares

As at 31 December 2021 and 2020, the Bank's authorised share capital and issued and paid-up share capital - ordinary shares was 13,976,061,250 shares.

### 8.21.2 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.

8.21.3 As at 31 December 2021, 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.

## 8.22 Other components of equity

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
Surplus on revaluation of assets	17,870	10,725	17,507	10,361
Less: The effect of deferred tax liabilities	(3,574)	(2,145)	(3,502)	(2,072)
Net surplus on revaluation of assets	14,296	8,580	14,005	8,289
Revaluation surplus (deficit) on investments				
Debt securities	(612)	1,638	(603)	1,648
Equity securities	12,249	9,127	12,249	9,127
Expected credit loss	960	968	960	968
Total revaluation surplus (deficit) on investments	12,597	11,733	12,606	11,743
Add (less): The effect of deferred tax liabilities	(2,519)	(2,347)	(2,521)	(2,349)
Net revaluation surplus (deficit) on investments	10,078	9,386	10,085	9,394
Hedge reserves	84	223	84	223
Less: The effect of deferred tax liabilities	(17)	(45)	(17)	(45)
Net hedge reserves	67	178	67	178
Gains (losses) from translating the financial statements	73	(72)	73	(72)
Share of other comprehensive income of associated companies	6,012	14,107	-	-
Total	30,526	32,179	24,230	17,789

## 8.23 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.

## 8.24 Dividends

During the years ended 31 December 2021 and 2020, the Bank has dividends payments as follows:

(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 2020	Annual General Meeting of the Shareholders on 9 April 2021	2	3,844	0.4295	0.275	7 May 2021
Interim dividends for the year 2019	Board of Directors Meeting on 25 March 2020	5	10,524	0.9075	0.753	23 April 2020

## 8.25 Commitment and contingent liabilities

### 8.25.1 Leases and service commitment

As at 31 December 2021, the Bank and its subsidiaries have future rental and service charges under non-cancellable leases which have not yet effective, long term lease and long term service contracts as follows :

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements	
	Within 1 year	Over 1 - 5 years	Over 5 years	Within 1 year	Over 1 - 5 years
Non-cancellable leases which have not yet effective	1	1	-	-	-
Long term leases	158	22	-	43	15
Long term service contracts	1,534	1,245	2	870	966
Total	1,693	1,268	2	913	981

### 8.25.2 Contingent liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Avals to bills	7,185	5,614	7,185	5,614
Guarantees of loans	36,834	4,244	36,834	4,244
Liabilities under unmatured import bills	8,956	5,450	8,956	5,450
Letters of credit	36,799	30,993	36,799	30,993
Banks' liability under acceptances	16	22	16	22
Other contingencies				
Unused overdraft credit lines	154,677	180,307	154,677	180,307
Other guarantees	193,277	173,446	193,277	173,446
Others	172,925	180,768	5,090	6,525
Total	610,669	580,844	442,834	406,601

As at 31 December 2021 and 2020, the Bank has contingent liabilities relating to significant lawsuits brought against the Bank of Baht 18,313 million and Baht 17,311 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 2021 and 2020, the Bank has guarantees for transactions of the Bank of Baht 3,708 million and Baht 5,140 million, respectively.

## 8.26 Assets with obligations and restrictions

(Unit: Million Baht)

	Consolidated and separate financial statements	
	31 December 2021	31 December 2020
Government and state enterprise bonds pledged as collateral		
Court collateral	456	447
Repurchase agreements	56,601	40,133
Collateral for Student Loan Fund	55	58
Foreign debt securities as collateral		
Repurchase agreements	24,507	1,456
Properties for sale (subject to purchase or sell agreements)	1,655	1,808
Properties for sale (debtor is granted the right to buy back or first right for this portion)	14,165	6,236
Total	97,439	50,138

## 8.27 Related party transactions

8.27.1 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 2021	31 December 2020
Loans	131	163
Deposits	351	375

(Unit: Million Baht)

	Separate financial statements	
	For the years ended 31 December	
	2021	2020
Interest income	4	5
Interest expense	2	2



## 8.27.2 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 2021 and 2020 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>Interbank and money market items (assets)</b>				
<u>Associated companies</u>				
Krungthai-AXA Life Insurance Plc.	1,287	1	1,287	1
Krungthai Zmico Securities Co., Ltd.	551	431	551	431
<u>Less</u> Allowance for expected credit losses	(260)	(62)	(260)	(62)
Total	1,578	370	1,578	370
<b>Loans</b>				
<u>Subsidiaries</u>				
KTB General Services and Security Co., Ltd.	-	-	8	7
KTB Computer Services Co., Ltd.	-	-	1,967	2,096
KTB Leasing Co., Ltd.	-	-	1,100	1,780
Krungthai Card Plc.	-	-	5,130	7,660
<u>Less</u> Allowance for expected credit losses	-	-	(19)	(21)
Total	-	-	8,186	11,522
<u>Associated companies</u>				
Krung Thai IBJ Leasing Co., Ltd.	5,373	5,142	5,373	5,142
Krungthai Panich Insurance Plc.	1	-	1	-
<u>Less</u> Allowance for expected credit losses	(26)	(26)	(26)	(26)
Total	5,348	5,116	5,348	5,116
Entities with parent company or common directors or key management personnel	21,955	19,263	21,955	19,263
<u>Less</u> Allowance for expected credit losses	(116)	(126)	(116)	(126)
Total	21,839	19,137	21,839	19,137
Entities in which the Bank held shares from TDR from 10 percent or more	8,256	8,411	8,256	8,411
<u>Less</u> Allowance for expected credit losses	(4,659)	(4,736)	(4,659)	(4,736)
Total	3,597	3,675	3,597	3,675

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>Commitments</b>				
<u>Subsidiaries</u>				
KTB General Services and Security Co., Ltd.	-	-	46	21
KTB Computer Services Co., Ltd.	-	-	5	5
KTB Leasing Co., Ltd.	-	-	-	1
Krungthai Card Plc.	-	-	1	1
<u>Associated companies</u>				
Krung Thai IBJ Leasing Co., Ltd.	-	2	-	2
Krungthai-AXA Life Insurance Plc.	-	1	-	1
Krungthai Panich Insurance Plc.	5	5	5	5
Entities with common directors or key management personnel	142	365	142	365
Entities in which the Bank held shares in aggregate from 10 to 20 percent	-	13	-	13
Entities in which the Bank held shares from TDR from 10 percent or more	1	1	1	1
<b>Derivatives (Notional amount)</b>				
<u>Associated companies</u>				
Krung Thai IBJ Leasing Co., Ltd.	530	731	530	731
Krungthai-AXA Life Insurance Plc.	15,822	10,614	15,822	10,614
Krungthai Zmico Securities Co., Ltd.	1	-	1	-
Krungthai Panich Insurance Plc.	22	-	22	-
<b>Other assets</b>				
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	13	18
KTB Leasing Co., Ltd.	-	-	1	1
Krungthai Card Plc.	-	-	592	752
Krung Thai Asset Management Plc.	-	-	80	108
Infinitas by Krungthai Co., Ltd.	-	-	636	-
KTB General Services and Securities Co., Ltd.	-	-	1	-
Arise by Infinitas Co., Ltd.	-	-	27	-
<u>Associated companies</u>				
Krungthai-AXA Life Insurance Plc.	176	169	174	168
Krungthai Panich Insurance Plc.	45	29	37	29
Krungthai Zmico Securities Co., Ltd.	1	-	-	-
Entities with parent company or common directors or key management personnel	2,452	2,511	2,452	2,511

## 8.27.3 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 2021 and 2020 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>Deposits</b>				
<u>Parent company</u>				
Financial Institutions Development Fund	20	20	20	20
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	364	401
KTB General Services and Security Co., Ltd.	-	-	941	773
KTB Computer Services Co., Ltd.	-	-	53	350
KTB Leasing Co., Ltd.	-	-	343	257
KTB Advisory Co., Ltd.	-	-	3	3
Krungthai Card Plc.	-	-	1,632	1,469
Infinitas by Krungthai Co., Ltd.	-	-	700	300
Arise by Infinitas Co., Ltd.	-	-	300	-
<u>Associated companies</u>				
Krung Thai IBJ Leasing Co., Ltd.	165	31	165	31
Krungthai Panich Insurance Plc.	144	245	144	245
Entities with parent company or common directors or key management personnel	17,268	10,198	17,268	10,198
Entities in which the Bank held shares in aggregate from 10 to 20 percent	2	595	2	595
Entities in which the Bank held shares from TDR from 10 percent or more	353	622	353	622
<b>Interbank and money market items (liabilities)</b>				
<u>Subsidiary</u>				
Krung Thai Asset Management Plc.	-	-	458	158
<u>Associated companies</u>				
Krungthai-AXA Life Insurance Plc.	3,209	4,789	3,209	4,789
Krungthai Zmico Securities Co., Ltd.	24	42	24	42
<b>Debt issued and borrowing</b>				
<u>Associated companies</u>				
Krungthai Panich Insurance Plc.	20	-	20	-
<b>Other liabilities</b>				
<u>Subsidiaries</u>				
KTB General Services and Security Co., Ltd.	-	-	295	344
KTB Computer Services Co., Ltd.	-	-	905	638
Krungthai Card Plc.	-	-	1	2
KTB Law Co., Ltd.	-	-	92	104
Infinitas by Krungthai Co., Ltd.	-	-	168	-
<u>Associated companies</u>				
Krungthai Panich Insurance Plc.	11	12	11	12
Krungthai-AXA Life Insurance Plc.	11	14	4	7
National ITMX Co., Ltd.	46	27	46	27

## 8.27.4 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	
	2021	2020	2021	2020
<b>Interest income</b>				
<u>Subsidiaries</u>				
KTB Computer Services Co., Ltd.	-	-	39	43
KTB Leasing Co., Ltd.	-	-	10	25
Krungthai Card Plc.	-	-	29	55
<u>Associated companies</u>				
Krungthai Zmico Securities Co., Ltd.	5	9	5	9
Krung Thai IBJ Leasing Co., Ltd.	58	68	58	68
Krungthai-AXA Life Insurance Plc.	6	4	6	4
Entities with parent company or common directors or key management personnel	396	201	396	201
Entities in which the Bank held shares from TDR 10 percent or more	29	34	29	34
<b>Interest expenses</b>				
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	1	3
KTB General Services and Security Co., Ltd.	-	-	3	4
Krungthai Card Plc.	-	-	1	2
Krung Thai Asset Management Plc.	-	-	1	1
KTB Computer Services Co., Ltd.	-	-	-	1
KTB Leasing Co., Ltd.	-	-	-	1
<u>Associated companies</u>				
Krungthai Panich Insurance Plc.	-	2	-	2
Krungthai-AXA Life Insurance Plc.	63	113	63	113
Krung Thai IBJ Leasing Co., Ltd.	1	2	-	2
Krungthai Zmico Securities Co., Ltd.	-	2	-	-
Entities with parent company or common directors or key management personnel	50	95	50	95
Entities in which the Bank held shares from TDR 10 percent or more	1	1	1	1

(Unit: Million Baht)

For the years ended 31 December

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Other income</b>				
<u>Subsidiaries</u>				
KTB General Services and Security Co., Ltd.	-	-	10	9
KTB Leasing Co., Ltd.	-	-	14	8
Krung Thai Asset Management Plc.	-	-	1,089	816
Krungthai Card Plc.	-	-	131	222
Infinitas by Krungthai Co., Ltd.	-	-	39	-
Arise by Infinitas Co., Ltd.	-	-	9	-
<u>Associated companies</u>				
Krung Thai IBJ Leasing Co., Ltd.	6	7	6	7
Krungthai Zmico Securities Co., Ltd.	10	5	7	4
Krungthai Panich Insurance Plc.	422	327	400	305
Krungthai-AXA Life Insurance Plc.	2,112	2,226	2,042	2,110
<b>Other expenses</b>				
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	199	380
KTB General Services and Security Co., Ltd.	-	-	2,265	2,317
KTB Computer Services Co., Ltd.	-	-	3,859	3,618
Krungthai Card Plc.	-	-	6	6
Infinitas by Krungthai Co., Ltd.	-	-	37	-
<u>Associated companies</u>				
Krung Thai IBJ Leasing Co., Ltd.	17	12	-	-
Krungthai Zmico Securities Co., Ltd.	4	9	3	8
National ITMX Co., Ltd.	407	242	407	242
Krungthai-AXA Life Insurance Plc.	78	74	-	-
Krungthai Panich Insurance Plc.	15	18	-	-

8.27.5 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	
	2021	2020	2021	2020
Short-term employee benefits	1,160	1,266	793	907
Post-employment benefits	86	49	77	29
Total	1,246	1,315	870	936

#### 8.27.6 Intercompany trading transactions

##### Subsidiaries

- 1) KTB Computer Services Co, Ltd. (“KTBCS”) 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 3,728 million and Baht 3,487 million for the years ended 31 December 2021 and 2020, respectively.

Since 2003, the GFMS project Phase 2 has been developed and implemented on behalf of the Bank by KTBCS. 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 131 million and for the years ended 31 December 2021 and 2020, 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. KTB Law Co., Ltd. has been designated to prosecute debtors of the Student Loans Fund. The Bank incurred service charges for the years ended 31 December 2021 and 2020 of Baht 21 million and Baht 165 million, respectively.
- 3) KTB General Services and Security Co., Ltd. (“KTBS”) is assigned by the Bank to provide collection and delivery services for all cash, foreign exchange and financial instruments, and the Bank’s asset. KTBS also manages Krung Thai Bank Training Center and the Bank’s other buildings. The Bank incurred service charges of Baht 2,265 million and Baht 2,317 million for the years ended 31 December 2021 and 2020, 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 37 million for the years ended 31 December 2021.

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 39 million for the years ended 31 December 2021.

- 5) The Bank generated fee income from service with its subsidiaries amounting to Baht 1,290 million and Baht 1,052 million for the year ended 31 December 2021 and 2020, respectively.
- 6) The Bank generated premises rental income from its subsidiaries of Baht 2 million and Baht 3 million for the years ended 31 December 2021 and 2020, 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 2,455 million and Baht 2,426 million for the years ended 31 December 2021 and 2020, respectively, at the rates as mutually agreed.

## 8.28 Significant financial position and operations classified by domestic and foreign business segment

### 8.28.1 Financial position classified by business segment

(Unit: Million Baht)

	Consolidated financial statements							
	31 December 2021				31 December 2020			
	Domestic business	Foreign branches business	Elimination	Total	Domestic business	Foreign branch business	Elimination	Total
Total assets	3,538,356	23,146	(4,758)	3,556,744	3,323,187	19,261	(14,668)	3,327,780
Interbank and money market items - net	460,622	8,594	-	469,216	508,031	8,761	-	516,792
Financial assets measured at fair value through profit or loss	18,039	-	-	18,039	13,724	-	-	13,724
Investments - net*	362,785	1,232	-	364,017	344,433	1,955	-	346,388
Loans to customers and accrued interest receivables - net	2,468,221	7,999	-	2,476,220	2,192,197	8,316	-	2,200,513
Deposits	2,612,252	2,495	-	2,614,747	2,458,740	4,485	-	2,463,225
Interbank and money market items	296,350	14	(20)	296,344	274,553	13	-	274,566
Debt issued and borrowings	114,119	19,698	-	133,817	86,564	-	-	86,564

\* Includes investments in subsidiaries and associated companies.

(Unit: Million Baht)

	Separate financial statements							
	31 December 2021				31 December 2020			
	Domestic business segment	Foreign branches business segment	Elimination	Total	Domestic business segment	Foreign branches business segment	Elimination	Total
Total assets	3,444,534	23,146	(4,758)	3,462,922	3,222,394	19,261	(14,668)	3,226,987
Interbank and money market items - net	460,238	8,594	-	468,832	507,560	8,761	-	516,321
Financial assets measured at fair value through profit or loss	18,307	-	-	18,307	14,188	-	-	14,188
Investments - net*	351,932	1,232	-	353,164	326,144	1,955	-	328,099
Loans to customers and accrued interest receivables - net	2,393,464	7,999	-	2,401,463	2,118,773	8,316	-	2,127,089
Deposits	2,616,571	2,495	-	2,619,066	2,462,295	4,485	-	2,466,780
Interbank and money market items	292,404	14	(20)	292,398	268,412	13	-	268,425
Debt issued and borrowings	71,694	19,698	-	91,392	44,292	-	-	44,292

\* Includes investments in subsidiaries and associated companies.

## 8.28.2 Operations classified by business segment

(Unit: Million Baht)

Consolidated financial statements								
For the years ended 31 December								
	2021				2020			
	Domestic business segment	Foreign branches business segment	Elimination	Total	Domestic business segment	Foreign branches business segment	Elimination	Total
Interest income	104,454	1,087	(709)	104,832	112,323	884	(370)	112,837
Interest expenses	(21,535)	(634)	709	(21,460)	(24,425)	(439)	370	(24,494)
Interest income - net	82,919	453	-	83,372	87,898	445	-	88,343
Fees and service income - net	19,968	54	-	20,022	20,464	64	-	20,528
Other operating income	12,398	(6)	-	12,392	13,409	(32)	-	13,377
Other operating expenses and allowance for expected credit loss	(85,131)	(124)	-	(85,255)	(98,177)	(191)	-	(98,368)
Profit from operating before income tax expenses	30,154	377	-	30,531	23,594	286	-	23,880

(Unit: Million Baht)

Separate financial statements								
For the years ended 31 December								
	2021				2020			
	Domestic business segment	Foreign branches business segment	Elimination	Total	Domestic business segment	Foreign branches business segment	Elimination	Total
Interest income	90,289	1,087	(709)	90,667	97,381	884	(370)	97,895
Interest expenses	(20,178)	(634)	709	(20,103)	(22,927)	(439)	370	(22,996)
Interest income - net	70,111	453	-	70,564	74,454	445	-	74,899
Fees and service income - net	15,698	54	-	15,752	16,309	64	-	16,373
Other operating income	11,037	(6)	-	11,031	10,225	(32)	-	10,193
Other operating expenses and allowance for expected credit loss	(73,391)	(124)	-	(73,515)	(85,198)	(191)	-	(85,389)
Profit from operating before income tax expenses	23,455	377	-	23,832	15,790	286	-	16,076

## 8.29 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) Wholesale 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

The accounting procedures for the operating segments are based on the principle of Economic Value Management (EVM), whereby performance is measured on the same basis as that used in the internal management reports that are reviewed by the Bank's CODM. In accordance with the EVM concept, which is different from the accounting policy use for the preparation of financial statements, all business units are treated as profit centers, with Internal Service Charges (ISC) between the service providing unit and service receiving unit. 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 2021						
	Retail banking	Corporate banking	Treasury and investment	Support and others	Elimination	Total
Total operating income	53,645	29,204	7,665	34,635	(9,363)	115,786
Total expenses and tax expenses (excluding expected credit losses)	(30,991)	(7,625)	(2,688)	(24,816)	7,414	(58,706)
Expected credit losses	(9,673)	(17,126)	(177)	(5,546)	(2)	(32,524)
Net profit (losses)	12,981	4,453	4,800	4,273	(1,951)	24,556

(Unit: Million Baht)

Consolidated financial statements						
For the year ended 31 December 2020						
	Retail banking	Corporate banking	Treasury and investment	Support and others	Elimination	Total
Total operating income	50,538	28,815	6,481	42,861	(6,447)	122,248
Total expenses and tax expenses (excluding expected credit losses)	(30,625)	(6,334)	(2,330)	(24,794)	6,177	(57,906)
Expected credit losses	(12,735)	(25,292)	(1,051)	(5,755)	(70)	(44,903)
Net profit (losses)	7,178	(2,811)	3,100	12,312	(340)	19,439

Assets and liabilities for segment of the Bank and its subsidiaries as at 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	Retail banking	Corporate banking	Treasury and investment	Support and others	Elimination	Total
As at 31 December 2021:						
Segment assets	1,024,818	1,473,945	905,461	159,481	(6,961)	3,556,744
Segment liabilities	1,774,033	953,622	241,541	230,587	(17,150)	3,182,633
As at 31 December 2020:						
Segment assets	988,351	1,208,867	943,799	187,601	(838)	3,327,780
Segment liabilities	1,711,923	839,087	200,543	239,613	(18,449)	2,972,717

### Information about major customers

During the years ended 31 December 2021 and 2020, the Bank and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

## 8.30 Interest Income

Interest income for the years ended 31 December 2021 and 2020 consisted of the following:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Interbank and money market items	2,954	3,594	2,954	3,594
Investment and trading transactions	345	435	345	435
Investment in debt securities	3,437	4,251	3,457	4,266
Loans to customers *	97,932	104,307	83,851	89,533
Hire-purchase and finance leases	104	184	-	-
Others	60	66	60	66
Total interest income	104,832	112,837	90,667	97,894

\* Interest income from loans to customers for the year ended 31 December 2020, including payment from the auction of property, mortgage collateral, of one debtor, amounting to Baht 4,747 million (Note 8.40.1 to the consolidated financial statements)



## 8.31 Interest expenses

Interest expenses for the years ended 31 December 2021 and 2020 consisted of the following:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deposits	10,302	13,765	10,308	13,775
Interbank and money market items	1,607	1,860	1,566	1,788
Contributions to Bank of Thailand (BOT)	5,888	5,450	5,888	5,450
Contributions to Deposit Protection Agency (DPA)	257	237	257	237
Debt issued				
- Subordinated debentures	2,017	1,655	2,017	1,655
- Others	1,297	1,411	-	-
Borrowings	3	4	1	1
Borrowing fees	10	10	-	-
Others	79	102	66	90
Total interest expenses	21,460	24,494	20,103	22,996

## 8.32 Fees and service income

Fees and service income for the years ended 31 December 2021 and 2020 consisted of the following:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Fees and service income				
Acceptance, aval and guarantees	1,608	1,279	1,608	1,279
ATM and electronic banking services	11,811	11,886	11,811	11,886
Management fees and bancassurance product	6,948	5,949	4,016	3,827
Others	7,943	8,576	4,115	4,565
Total fees and service income	28,310	27,690	21,550	21,557
Fees and service expenses	(8,288)	(7,162)	(5,799)	(5,184)
Net fees and service income	20,022	20,528	15,751	16,373

### 8.33 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	
	2021	2020	2021	2020
Gains (losses) on trading and foreign exchange transactions				
- Foreign exchange and foreign exchange element of derivatives contracts	3,643	1,686	3,642	1,686
- Interest rate element of derivatives contracts	(903)	950	(903)	1,013
- Debt securities	(606)	(222)	(608)	(222)
- Equity securities	(87)	(5)	(87)	(5)
- Others	921	736	921	736
Gains (losses) from hedge accounting - hedged items	499	(11)	499	(11)
Total	3,467	3,134	3,464	3,197

### 8.34 Gains on investments

Gains on investments for the years ended 31 December 2021 and 2020 consisted of the following:

(Unit: Million Baht)				
For the years ended 31 December				
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Gains on derecognition of				
Investments in debt securities measured				
at fair value through other comprehensive				
income	711	951	711	951
Investment in subsidiaries	-	-	(199)	-
Total	711	951	512	951
Reversal (losses) on impairment of				
Investment in subsidiaries and associates	-	-	586	(10)
Total	-	-	586	(10)
Total gains on investments	711	951	1,098	941

### 8.35 Expected credit losses

Expected credit losses and gains or losses resulting from modification of terms for financial assets for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Interbank and money market items (assets)	(453)	1,102	(453)	1,102
Investments in debt securities measured at amortised cost	(1)	9	(1)	9
Investments in debt securities measured at fair value through other comprehensive income	(8)	869	(8)	869
Loans to customers and accrued interest receivables				
- Expected credit losses	32,709	39,660	27,251	33,185
- Losses from modification of contracts	160	305	160	305
Total	32,407	41,945	26,949	35,470
Loan commitments and financial guarantee contracts	117	2,958	117	2,958
Total	32,524	44,903	27,066	38,428

### 8.36 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 year.

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Profit for the year attributable to equity holders of the Bank (after deducting preferred shares' portion) (Million Baht)	21,586	16,728	19,435	13,288
Earnings per share (Baht/share)	1.54	1.20	1.39	0.95
Weighted average number of ordinary shares (Million shares)	13,976	13,976	13,976	13,976

### 8.37 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 3 - 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 2021 and 2020, the Bank and its subsidiaries contributed Baht 1,462 million and Baht 1,518 million, respectively to the fund (separate financial statements: Baht 1,288 million and Baht 1,359 million, respectively).

## 8.38 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 2021				31 December 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets and liabilities measured at fair value</b>								
<b>Financial assets</b>								
Financial assets								
measured at fair value								
through profit or loss	804	17,235	-	18,039	792	12,932	-	13,724
Investments in debt								
securities measured at								
fair value through other								
comprehensive income	-	322,190	-	322,190	-	300,505	-	300,505
Investments in equity								
securities designated at								
fair value through other								
comprehensive income	16,832	917	504	18,253	13,583	655	505	14,743
Derivatives assets	-	52,660	-	52,660	-	74,507	-	74,507
<b>Financial liabilities</b>								
Derivatives liabilities	-	50,550	-	50,550	-	65,471	-	65,471

(Unit: Million Baht)

	Separate financial statements							
	31 December 2021				31 December 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets and liabilities measured at fair value</b>								
<b>Financial assets</b>								
Financial assets								
measured at fair value								
through profit or loss	804	17,503	-	18,307	792	13,396	-	14,188
Investments in debt								
securities measured at								
fair value through other								
comprehensive income	-	323,276	-	323,276	-	301,259	-	301,259
Investments in equity								
securities designated at								
fair value through other								
comprehensive income	16,832	915	504	18,251	13,583	652	505	14,740
Derivatives assets	-	52,660	-	52,660	-	74,507	-	74,507
<b>Financial liabilities</b>								
Derivatives liabilities	-	50,550	-	50,550	-	65,471	-	65,471



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 and model risk used in the option pricing for SMEs insurance scheme etc.
Investments	<ul style="list-style-type: none"> <li>- The fair value of marketable securities is based on the latest bid price of the last working day of the year.</li> <li>- 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.</li> <li>- The fair value of foreign currency debt securities is determined based on the latest published price obtained from reliable sources.</li> <li>- The fair value of unit trusts is determined from their net asset value</li> <li>- The fair value of investments in non - marketable equity securities is determined using their latest book value from the entity's financial statements.</li> </ul>

Loans to customers	<ul style="list-style-type: none"> <li>- The fair value of floating rate loans is assumed to approximate their book value, net of allowance for expected credit losses.</li> <li>- 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.</li> <li>- 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.</li> </ul>
Land, premises and equipment - land	<ul style="list-style-type: none"> <li>- 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.</li> </ul>
Deposits	<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> </ul>
Interbank and money market items (liabilities)	<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> </ul>

- 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.

During the year, the Bank and subsidiaries have no changes of the fair value hierarchy.

### 8.39 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. 8/2561 dated 11 April 2018, SOR NOR SOR. 12/2561 dated 22 May 2018, SOR NOR SOR.18/2561 dated 3 August 2018, SOR NOR SOR.11/2562 dated 7 May 2019 and SOR NOR SOR.8/2564 dated 20 July 2021 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 19 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.

## 8.40 Others

8.40.1 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 2021 totaling Baht 9,745 million, exclusive of the default interests. In this regard, for such outstanding principal amounts, the Bank has fully made a provision for impairment and allowance for expected credit losses according to the Bank of Thailand'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 Bank of Thailand, 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. 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 1,223 million Baht 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 1,223 million Baht according to the judgment 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 is currently waiting for accounts receivable from the Legal Execution Department.

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 judgment 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 Court of Appeal had issued an appointment for the hearing of judgement, which upheld the judgment 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.

8.40.2 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.

8.40.3 The Bank is in the process of closing Los Angeles branch in USA and Mumbai Branch in Republic of India. The assets, liabilities and operating performance of such branches are not material to the Bank's financial statements.



## 8.41 COVID-19

The COVID-19 pandemic is impacting various businesses and industries. The situation may bring uncertainties and may impacting the Bank's and its subsidiaries' operating results and cash flows. The impact cannot be reasonably estimated at this stage.

As a result of the COVID-19 pandemic having a widespread impact on all business sectors and customer segments across Thailand, the Bank of Thailand 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. As at 31 December 2021, the outstanding balances of loans to customers that the Bank has assisted in accordance with the measures of the Bank of Thailand amounting to Baht 98 billion.

## 8.42 Events after the reporting period

On 23 February 2022, the Board of Directors passed a resolution to propose the payment of a dividend, at a rate of Baht 0.4180 per share to the ordinary shareholders and at a rate of Baht 0.5725 per share to the preferred shareholders, or a total of Baht 5,845 million, to the Annual General Meeting of Shareholders for consideration and approval.

## 8.43 Approval of the financial statements

These financial statements were authorised for issue by the Board of Directors on 23 February 2022.

## Attachment 1 Details of directors, executives, the person taking the highest responsibility in finance and accounting (Chief Financial Officer: CFO), the person supervising accounting (Chief Accountant), and company secretaries

### Details of Directors (As at December 31, 2021)

#### 1. Mr. Krisada Chinavicharana

##### Chairman

Age 58

##### Date of Appointment

- Director: February 7, 2020
- Chairman: October 28, 2020

##### Education

- M.B.A., University of New Haven, USA
- LL.B., Chulalongkorn University

##### Training Program

- Class 54, National Defense Course, National Defense College
- Year 2021, Security Awareness Program, Krungthai Bank Pcl. By guest speaker
- Class 186/2014, Director Certification Program (DCP), IOD
- Year 2010, Top Executive Program, the Office of the Civil Service Commission
- Year 2004, Financial Instrument and Markets, Harvard Business School

Number of Shares in Company None

% of Shares in Company None

(not changed since January 1, 2021)

Family Relationship with Director and Executive Officer

None

Position in Other Listed Companies

2020 - Present Director and Member of the Remuneration Committee, PTT Pcl.

Positions in Non-Listed Companies/Other Organizations

2020 - Present Permanent Secretary, Ministry of Finance

2020 - Present Director, Office of Insurance Commission (OIC)

##### Experience over Past 5 Years

2020 - 2021 Independent Director, BCPG Pcl.

2018 - 2021 Director and Member of Nomination Committee, Airports of Thailand Pcl.

2015 - 2021 Director, Erawan Hotel Pcl.

2018 - 2020 Director-General, Thai Customs

2017 - 2019 Director, Bank for Agriculture and Agricultural Cooperatives

2015 - 2019 Director, Deposit Protection Agency (DPA)

2018 Director, PTT Pcl.

2017 - 2018 Director-General, The Excise Department

2016 - 2017 Director, Muang Thai Insurance Pcl.

2015 - 2017 Director, Bangchak Corporation Pcl.

2014 - 2017 Director, Bank of Thailand

2014 - 2017 Director, Aeronautical Radio of Thailand Ltd.

2014 - 2017 Director-General, The Fiscal Policy Office

#### 2. Mr. Krairit Euchukanonchai

##### Vice Chairman

##### Chairman of the Board of Executive Directors

##### Chairman of the Risk Oversight Committee

Age 66

##### Date of Appointment

- Director: October, 15 2015
- 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

- Year 2021, Security Awareness Program, Krungthai Bank Pcl. by guest speaker
- 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

Number of Shares in Company None

% of Shares in Company None

(not changed since January 1, 2021)

Family Relationship with Director and Executive Officer None

Positions in Other 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/Other Organizations

2021 - Present Director, AIS Digital Life Co., Ltd.

2021 - Present Honorary Director (Finance), The Securities and Exchange Commission

2020 - Present Chairman, KTB Advisory Co., Ltd.

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.

2003 - Present Chairman, V.Body & Paint Co., Ltd.

2000 - Present Chairman, V.Group Honda Cars Co., Ltd. and affiliated companies

#### Experience over Past 10 Years

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 Social Responsibility Committee

Age 61

Date of Appointment

November 24, 2017

Education

- Bachelor of Engineering in Electrical Engineering, The University of New South Wales, Australia

Training Program

- Class 22, National Defense Course for the Joint State-Private Sectors, The National Defense College
- Year 2021, Cyber Resilience Program, Bank of Thailand
- Year 2021, Security Awareness Program, Krungthai Bank Pcl. by guest speaker
- Year 2018, Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, ACIS Professional Center
- 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

Number of Shares in Company None

% of Shares in Company None

(not changed since January 1, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

2021 - Present Chairman, Independent Director and Chairman of the Audit Committee, Asian Alliance International 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

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 over Past 5 Years

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 Nominating and Remuneration Committee

Member of the Compliance Committee

Member of the Risk Oversight Committee

Age 56

Date of Appointment

January 26, 2016

Education

- Bachelor of Engineering (Computer), King Mongkut's Institute of Technology Ladkrabang

Training Program

- Class 60, National Defense Course, National Defense College
- Year 2021, Cyber Resilience Program, Bank of Thailand

- Year 2021, Security Awareness Program, Krungthai Bank Pcl. by guest speaker
- Class 13/2021, Board Nomination and Compensation Program (BNCP), IOD
- Class 30/2020, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand
- Year 2020, Cyber Resilience Program, Bank of Thailand
- 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 45/2019, Role of the Chairman Program (RCP), IOD
- Year 2018, Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, ACIS Professional Center
- Class 2/2017, Boardroom Success through Financing and Investment (BFI), IOD
- Class 2/2016, Driving Company Success with IT Governance (ITG), IOD
- Class 4/2016, Environmental Governance for Executive Officer, Department of Environmental Quality Promotion (DEQP), Ministry of Natural Resources and Environment
- 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

Number of Shares in Company None

% of Shares in Company None

(not changed since January 1, 2021)

Family Relationship with Director and Executive Officer None

Positions in Other Listed Companies

2018 - Present Advisor of Investment Committee, BCPG Pcl.

2014 - Present Independent Director and Chairman of the Audit Committee, TPBI Pcl.

Positions in Non-Listed Companies/Other Organizations

2021 - Present Director, Supamitr General Hospital Pcl.

2020 - Present Director, Relationship Republic Co.,Ltd

2018 - Present Member of the Support Research and Innovation Administration Committee, National Research Council of Thailand (NRCT)

#### Experience over Past 5 Years

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.

2011 - 2017 Independent Director and Member of the Audit Committee, Asiasoft Corporation Pcl.

## 5. Prof.Dr. Kittipong Kittayarak

Director

Independent Director

Chairman of the Corporate Governance and Social Responsibility Committee

Member of the Compliance Committee

Age 63

Date of Appointment

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 Defense Course, National Defense College
- Year 2021, Security Awareness Program, Krungthai Bank Pcl. by guest speaker
- Year 2020, Cyber Resilience Program, Bank of Thailand
- Year 2018, Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, ACIS Professional Center
- Class 18/2015, Advanced Audit Committee Program (AACP), IOD
- Class 112/2014, Director Accreditation Program (DAP), 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

Number of Shares in Company None

% of Shares in Company None

(not changed since January 1, 2021)

Family Relationship with Director and Executive Officer None

Positions in Other Listed Companies

- |                |  |
|----------------|--|
| 2021 - Present | Independent Director and Member of the Corporate Governance and Sustainable Development Committee, Charoen Pokphand Foods Pcl. |
| 2021 - Present | Independent Director and Member of the Audit 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/Other Organizations

- |                |   |
|----------------|---|
| 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, Ramathibodi Foundation Under the Royal Patronage of His Majesty the king, Her Royal Highness Princess Maha Chakri Sirindhorn |
| 2018 - Present | Director, Chakri Naruebodindra Medical Institute and Ramathibodi Chakri Naruebodindra Hospital  |
| 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 over Past 5 Years

- |             |  |
|-------------|--|
| 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 Wongsiwawilas**

Director

Independent Director

Chairman of the Compliance Committee

Member of the Nominating and Remuneration Committee

Age 57

Date of Appointment

December 21, 2020

Education

- Bachelor of Laws, Thammasat University

Training Program

- Class 57, National Defense Course, The National Defense College
- Year 2021, Security Awareness Program, Krungthai Bank Pcl. by guest speaker
- Class 246/2017, Director Certification Program (DCP), Thai Institute of Directors Association (IOD)
- Class 8, Senior Executive Program, The office of the Civil Service commission
- Class 12/2013, Public Law and Management, King Prajadhipok's Institute

Number of Shares in Company None

% of Shares in Company None

(not changed since January 1, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

- |                |   |
|----------------|---|
| 2021 - Present | Government Official Advisor to Prime Minister |
|----------------|---|

2020 - Present	Honorable Executive Director of the Judicial Administration (Administration and Management), Court of Justice
2020 - Present	Committee member of the Political Reform of the Thailand's National Reform, Office of the National Economic and Social Development Council
2019 - Present	Honorable Special Investigation Committee (Law), Department of Special Investigation, Ministry Of Justice
2018 - Present	Council of State No.7 (Natural Resources and Environment Law), Office of the Council of State

#### Experience over Past 5 Years

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
2015 - 2017	Deputy Secretaries-General to the Cabinet, The Secretariat of the Cabinet

## 7. General Tienchai Rubporn

Director

Chairman of the Independent Directors Committee

Member of the Audit Committee

Member of the Compliance Committee

Age 66

Date of Appointment

January 28, 2015

Education

- Master of Arts, Command and General Staff College
- Class 27, Bachelor of Science Chulachomklao Royal Military Academy

Training Program

- Class 2/2021 Refreshment Training Program (RFP), IOD
- Year 2021, Cyber Resilience Program, Bank of Thailand
- Year 2021, Security Awareness Program, Krungthai Bank Pcl. by guest speaker
- Year 2018, Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, ACIS Professional Center
- Class 240/2017, Director Certification Program (DCP), IOD
- Class 22/2016, Advanced Audit Committee Program (AACP), IOD
- Class 3/2016, Ethical Leadership Program (ELP), IOD

- Class 2/2016, Driving Company Success with IT Governance (ITG), IOD
- Class 15/2016, Corporate Governance for Capital Market Intermediaries (CGI), IOD
- Class 28/2016, Successful Formulation & Execution of Strategy (SFE), IOD
- Class 28/2015, Financial Statements for Directors (FSD), IOD
- Class 121/2015, Director Accreditation Program (DAP), IOD
- Class 47, Security Studies Program, Royal Thai Army War College
- Resource Management Introductory Course, United States Army Finance School Fort Benjamin Harrison, Indiana, USA
- Planning, Programing Budgeting, Execution System Course, United States Army Finance School Fort Benjamin Harrison, Indiana, USA

Number of Shares in Company None

% of Shares in Company None

(not changed since January 1, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Position in Non-Listed Companies/Other Organizations None

Experience over Past 5 Years

2016	Advisor of the Public Budget Expenditures Committee
2016	Senior Expert, The Royal Army
2014 - 2016	Permanent Secretary, Office of the Army Comptroller
2014 - 2016	Secretary of the Public Budget Expenditures Committee

## 8. Mr. Poonnis Sakuntanaga

Director

Executive Director

Member of the Risk Oversight Committee

Age 63

Date of Appointment

January 28, 2015

Education

- Master of Business Administration (Marketing), University of Wisconsin - Madison, USA
- Master of Business Administration (Finance), Middle Tennessee State University, USA
- Bachelor of Business and Accountancy (Finance and Banking), Chulalongkorn University

Training Program

- Year 2021, Security Awareness Program, Krungthai Bank Pcl. by guest speaker
- Class 46/2020, Role of the Chairman Program (RCP), IOD

- Year 2020, Cyber Resilience Program, Bank of Thailand
- Year 2019, Cyber Resilience Program, Bank of Thailand
- Class 10/2019, IT Governance and Cyber Resilience Program (ITG), IOD
- Year 2018, Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, ACIS Professional Center
- Class 7/2017, Ethical Leadership Program (ELP), IOD
- Class 8/2017, Risk Management Program for Corporate Leaders (RCL), IOD
- Class 27/2016, Successful Formulation & Execution of Strategy (SFE), IOD
- Class 113/2009, Director Certification Program (DCP), IOD
- Class 4, Corporate Governance for Director and Top Management of State Owned Enterprise and Public Organization Course, Public Director Institute (PDI), King Prajadhipok's Institute
- In house Training Programs, Citibank
- Asian Banking and Sovereign Conference 2006 by Moody's
- Regional Workshop "Risk Modeling for Sovereign Debt Portfolio" by World Bank

Number of Shares in Company None

% of Shares in Company None

(not changed since January 1, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Position in Non-Listed Companies/Other Organizations

2017 - Present Director and Executive Director, Elixir Foods & Beverages Co., Ltd.

Experience over Past 5 Years

2015 - 2017 Director and Executive Director, ThaiKong Co., Ltd.

## 9. Ms. Nitima Thepvanangkul

Director

Independent Director

Member of the Audit Committee

Member of the Corporate Governance and Social Responsibility Committee

Age 64

Date of Appointment

April 12, 2019

Education

- Master of Economics Program (Finance) (Hons.), National Institute of Development Administration (NIDA)
- Bachelor of Accounting, Chulalongkorn University

Training Program

- Year 2021, Security Awareness Program, Krungthai Bank Pcl. by guest speaker
- Year 2019, Cyber Resilience Program, Bank of Thailand
- Class 34/2019, Advanced Audit Committee Program (AACP), IOD
- Class 24/2017, Top Management Program, Capital Market Academy
- Class 3/2016, Ethical Leadership Program (ELP), IOD
- Class 18/2015, Anti Corruption: The Practical Guide (ACPG), IOD
- Class 3/2014, Risk Management Committee Program (RMP), IOD
- Class 126/2009, Director Certification Program (DCP), IOD
- NIDA - Wharton Executive Leadership Program, The Wharton School, University of Pennsylvania, USA
- PTT Executive Leadership Program, General Electric Crotonville, New York, USA

Number of Shares in Company None

% of Shares in Company None

(not changed since January 1, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Position in Non-Listed Companies/Other Organizations None

Experience over Past 5 Years

2017 - 2018 Councilor and Executive Director, Vidyasirimedhi Institute of Science and Technology (VISTEC)

2016 - 2018 Director and Member of the Risk Management Committee, Thai Oil Pcl.

2016 - 2018 Chief Financial Officer, PTT Pcl.

2015 - 2018 Chairman, PTT International Trading Private Co., Ltd.

2015 - 2018 Chairman, PTT Energy Resources Co., Ltd.

## 10. Lavaron Sangsnit

Director

Executive Director

Member of the Nominating and Remuneration Committee

Age 54

Date of Appointment

December 21, 2020

Education

- M.S. (Economic Policy and Planning), Northeastern University, USA
- Bachelor of Economics, Chulalongkorn University



**Training Program**

- Year 2021, Security Awareness Program, Krungthai Bank Pcl. by guest speaker
- Class 12/2018, Top Executive Program in Energy Literacy, Thailand Energy Academy
- Class 25/2017, Top Management Program, Capital Market Academy
- Class 205/2015 Director Certification Program (DCP), IOD
- Class 58, National Defense Course, The National Defense College
- Class 7, Executive Program in Public Administration, Office of the Civil Service Commission (OCSC)

**Number of Shares in Company** None

**% of Shares in Company** None

(not changed since January 1, 2021)

**Family Relationship with Director and Executive Officer** None

**Position in Other Listed Companies**

2021 - Present Director, Global Power Synergy Pcl.

**Position in Non-Listed Companies/Other Organizations**

2021 - Present Chairman, The Government Lottery Office

2020 - Present Director-General, The Excise Department

**Experience over Past 5 Years**

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

## 11. Dr.Kulaya Tantitemit

Director

Member of the Risk Oversight Committee

Member of the Corporate Governance and Social Responsibility Committee

Age 49

Date of Appointment

November 9, 2021

**Education**

- Ph.D. (International Economics and Finance), Brandeis University, USA
- Master of Science (International Economics and Finance), Brandeis University, USA
- Master of Arts (International Economics), Boston University, USA
- Bachelor of Economics, Thammasat University

**Training Program**

- Year 2021, Security Awareness Program, Krungthai Bank Pcl. by guest speaker
- Class 5/2018, Board Matters and Trends (BMT), IOD
- Class 7/2017, Ethical Leadership Program (ELP), IOD
- Class 239/2017, Director Certification Program (DCP), IOD
- Class 82/2015, Top management Program: Visionary Leader, Civil Service Training Institute
- Class 6/2014, Foreign Affairs Executive Programme, Devawongse Varopakarn Institute of Foreign Affairs (DVIFA), Ministry of Foreign Affairs

**Number of Shares in Company** None

**% of Shares in Company** None

(not changed since November 9, 2021)

**Family Relationship with Director and Executive Officer** None

**Position in Other Listed Companies**

2021 - Present Director, Bangchak Corporation Pcl.

2021 - Present Director and Chairman of the Risk Management Committee, Krungthai Asset Management Pcl.

**Positions in Non-Listed Companies/Other Organizations**

2021 - Present Comptroller-General, The Comptroller General's Department

2021 - Present Director, Deposit Protection Agency (DPA)

2021 - Present Director, Government Pension Fund

2021 - Present Director, Student Loan Fund

2021 - Present Director, Life Insurance Fund

**Experience over Past 5 Years**

2021 Director, Bank of Thailand

2021 Director-General, The Fiscal Policy Office

2021 Chairman, Deposit Protection Agency (DPA)

2021 Director, Aeronautical Radio of Thailand Ltd.

2020 - 2021 Inspector General, Ministry of Finance, acting as Director of the Fiscal Policy Office

2020 Inspector General, Ministry of Finance

2018 - 2020 Executive Director, World Bank Group

2016 - 2018 Director, PTI International Trading Pte. Ltd.

**12. Mr. Payong Srivanich**

President (Authorized Signatory Director)

Executive Director

Member of the Risk Oversight Committee

Age 53

Date of Appointment

- President: November 8, 2016

- Renewal the President 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

- Year 2021, Security Awareness Program, Krungthai Bank Pcl. by guest speaker
- TIJ Executive Program on the Rule of Law and Development: RoLD 2019, Thailand Institute of Justice (TIJ)
- Year 2018, Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, ACIS Professional Center
- Class 223/2016, Director Certification Program (DCP), IOD
- Training and Development for High Executive Project, Royal Thai Police

Number of Shares in Company None

% of Shares in Company None

(not changed since January 1, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies

2021 - Present Independent Director, Member of the Remuneration Committee and Member of the Nominating Committee, PTT Pcl.

Position in Non-Listed Companies/Other Organizations

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 Director, Business Advisory of Center for Covid-19 Situation Administration (CCSA), Office of the National Economic and Social Development Council

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 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

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

2018 - Present The MOF Big Data Steering Committee, Ministry of Finance

2017 - Present Chairman, National ITMX Co., Ltd.

**Experience over Past 5 Years**

2020 - 2021 Corporate Secretary, Krung Thai Bank Pcl.

2016 Director, Krungthai-AXA Life Pcl.

2015 - 2016 Senior Executive Vice President - Head of Global Markets Group, Krungthai Bank Pcl.

## Details of Executives (As at December 31, 2021)

### 1. Mr. Payong Srivanich

President

Age 53

(Please refer to page 396)

### 2. Ms. Praralee Ratanaprasartporn

Senior Executive Vice President -

Head of Digital Solutions Group

Age 52

Date of Appointment

May 2, 2013

Education

- MBA (Finance), University of Alabama at Birmingham, USA
- BBA (Accounting) (Auditing), Thammasat University

Training Program

- RoLD 2020: The Resilient Leader 2021
- Legal Strategies for Personal Data Management Chulalongkorn University (2019)
- Innovations Payment, Master Card, UK (2018)
- Fintech Strategy and Innovation Payment System, Plug and MasterCard, 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)
- 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 and Cornell University

- KTB Digital Banking Workshop 2015
- Advanced 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, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies

Apr. 2019 - Present Director, Krungthai Card Pcl.

Positions in Non-Listed Companies/Other Organizations

Nov. 2021 - Present Chairman, Arise by Infinitas Co., Ltd.

Jan. 2021 - Present Director, KTB Advisory Co., Ltd.

Oct. 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 over Past 5 Years

2019 - Sep. 2020 Director, National Digital ID Co., Ltd.

2014 - Feb. 2020 Director, KTB Leasing Co., Ltd.

2016 - Dec. 2019 Senior Executive Vice President - Head of Retail Shared Service Group and Data Innovation

### 3. Mr. Weerapong Suppasedsak

Senior Executive Vice President -

Head of Business Center Group

Age 55

Date of Appointment

December 26, 2014

Education

- Master of Economics (Finance), National Institute of Development Administration (NIDA)
- Bachelor of International Economics, Ramkhamhaeng University

Training Program

- Transformative Leadership Program :Executive Session (2021)
- Workshop: IFRS9 Impairment Model (Quick Fix + Enhancement) (2021)
- 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)
- National Defense Course, National Defense College (2018)
- KTB executive refining program (One-on-one) (2016)
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and 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)

Number of Shares in Company None

% of Shares in Company None

(not changed since January 1, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

Apr.2021 - Present Vice Chairman and Chairman of the Board of Executive Directors, Krungthai Panich Insurance Pcl.

2019 - Present Executive Director, Krungthai ZMICO Securities Co., Ltd.

Experience over Past 5 Years

2016 - 2019 Director, Krungthai Panich Insurance Pcl.

2012 - 2019 Director, Bangkok Expressway and Metro Pcl.

2016 - 2018 Senior Executive Vice President - Head of Corporate Banking Group 2, Krung Thai Bank Pcl.

2014 - 2016 Director/Chairman of the Audit Committee at Suvarnabhumi Airport Hotel Co., Ltd.

#### 4. **Mr. Suraton Kongton**

Senior Executive Vice President - Head of Corporate Banking Group 2

Acting for Group Head of Corporate Banking Group 1

Age 55

Date of Appointment

October 8, 2018

Education

- Master of public administration, University of Southern California, USA
- Bachelor of Political Science Public Administration (Public Finance), Chulalongkorn University

Training Program

- IFRS9 Quick-Fix and Model Enhancement (2021)
- Workshop: IFRS9 Impairment Model (Quick Fix + Enhancement) (2021)
- National Defense Course, Class 62, National Defense College
- Introduction to Thai Financial Reporting Standards 9 (TFRS 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, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies

2019 - Present Director, Dhipaya Group Holdings Pcl.

Positions in Non-Listed Companies/Other Organizations None

Experience over Past 5 Years

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.

2010 - 2018 Director, Tumtumpai Co., Ltd.

2016 - 2017 Head of Corporate and Investment Banking Group, Bank of Ayudhya Pcl.

#### 5. **Mr. Rawin Boonyanusasna**

Senior Executive Vice President - Head of Global Markets Group

Age 47

Date of Appointment

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

- 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 Course (2017)
- Media Training for Spokespersons (2017)
- Customer Segmentation and Micro Segment Analytics by SAS (2016)
- KTB Executive Refining Program (2016)

Number of Shares in Company None

% of Shares in Company None

(not changed since January 1, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

Nov. 2021 – Present Director, Infinitas by Krungthai Co., Ltd.

2021 – Present Director, CMDF Digital Infrastructure Co.,Ltd.

2019 – Present Director/Director of the Investment Subcommittee, The Thai Bond Market Association (ThaiBMA)

2018 – Present Director/Executive Director and Director of Nomination and Remuneration Committee, Krungthai ZMICO Securities Co., Ltd. (formerly KT ZMICO Securities Co., Ltd.)

2017 – Present Director/Chairman of Investment Committee, Krungthai-AXA Life Insurance Pcl.

Experience over Past 5 Years

2016 – 2018 First Executive Vice President Group Head, Krung Thai Bank Pcl.

## 6. Mr. Ekachai Techawiriyakul

Senior Executive Vice President -

Head of Risk Management Group

Age 60

Date of Appointment

November 1, 2017

Education

- Master of Business Administration, Thammasat University
- Bachelor of Engineering, Chulalongkorn University

Training Program

- Transformative Leadership Program: Executive Session (2021)
- Annual Audit Committee Conference KTB 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 (TFRS 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, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

2019 – Present Chairman and Chairman of the Risk Management Committee, Krungthai IBJ Leasing Co., Ltd.

2017 – Present Director, Suvarnabhumi Airport Hotel Co., Ltd.

Experience over Past 5 Years

Dec. 2018 – May 2021 Senior Executive Vice President - Head of Corporate Banking Group 1, Krung Thai Bank Pcl.

2017 – 2018 First Executive Vice President - Head of Corporate Banking Group 1, Krung Thai Bank Pcl.

2014 – 2017 Executive Vice President - Sector Head Corporate Banking Sector 8, Corporate Banking Group 1, Krung Thai Bank Pcl.

**7. Ms. Saranya Vejaku**

Senior Executive Vice President -

Head of Financial Management Group

Age 52

Date of Appointment

July 1, 2019

Education

- MBA Executive Program, Chulalongkorn University
- Bachelor of Economics (Accounting), Kasetsart University

Training Program

- Transformative Leadership Program: Executive Session (2021)
- Annual Audit Committee Conference KTB Group 2021: AACC 2021
- Strategies, Contracts, Negotiations, Mergers and Acquisitions in 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

(No shares held since January 1, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

Jan. 2021 - Present	Director, KTB Advisory Co., Ltd.
2020 - Present	Executive Director and Member of the Audit Committee, Krungthai Panich Insurance Pcl.

Experience over Past 5 Years

Jul. 2019 - Oct. 2019	Financial Management Advisor to the President, Krung Thai Bank Pcl.
2010 - 2019	EVP, Head of Financial Planning & Analysis (PF&A), Siam Commercial Bank Pcl.

**8. Mr. Santi Parivisutt**

Senior Executive Vice President -

Head of Operation Group

Age 59

Date of Appointment

October 1, 2016

Education

- MS (Economic), National Institute of Development Administration
- Bachelor of Economics, Ramkhamhaeng University

Training Program

- One on One Executive Coaching (2021)
- Transformative Leadership Program Executive Session (2021)
- Ethical Leadership Program (ELP) 20/2020
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2020)
- Introduction to Thai Financial Reporting Standards 9 (TFRS 9) (2020)
- Personal Data Protection Act B.E. 2562: PDPA (Updated) (2020)
- Personal Data Protection Act with Roles and Responsibilities of the Enterprise 2020
- Corporate Governance for Director and Top Management of State-Owned Enterprise and Public Organization Course 2019, Public Director Institute (PDI), King Prajadhipok's Institute
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)
- Compliance Guidelines on Personal Data Protection Act, B.E. 2562 (2019)
- IFRS9 Accounting Standard (2019)
- Design Thinking: Growing the Right Mindset for Better Compliance (2019)
- Annual Audit Committee Conference KTB Group 2019
- New Performance Evaluation Criteria (8 Core Business Enablers) for State-Owned Enterprise: Internal Audit (2019)
- Industry Code of Conduct 2019
- Identity Determination and Desirable Behavior Management (2019)
- How to Develop a Risk Management Plan (HRP), Class 16/2018, Thai Institute of Directors Association (IOD)
- Risk Management Program for Corporate Leaders (RCL), Class 10/2018, Thai Institute of Directors Association (IOD)

- One on One Executive Coaching, Class 1/2017, Slingshot Coaching Co., Ltd.
- Advanced Audit Committee Program (AACP), Thai Institute of Directors (IOD) (2017)
- Good Corporate Governance for Top Executives 2017, LEAD Business Institute
- Annual Audit Committee Conference. CAACC (2016)
- Digital Banking & Inspirational Leadership (2016)

Number of Shares in Company 1,070 shares (held by spouse)

% of Shares in Company 0.00001%

(Not changed since January 1, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

Apr. 2020 - Present Director, KTB General Services and Security Co., Ltd.

Experience over Past 5 Years

Oct. 2016 - Mar. 2020 First Executive Vice President - Head of Internal Audit Group, Krung Thai Bank Pcl.

## 9. Mr. Suppawat Wadhanapatee

Senior Executive Vice President -

Head of Human Resources and

Corporate Governance Group

Age 51

Date of Appointment

October 1, 2016

Education

- Doctor of Business Administration, Dhurakij Pundit University
- Master of Business Administration/ finance, Rensselaer Polytechnic Institute, USA
- Master of Laws / International Law, Chulalongkorn University
- Bachelor of Laws, Chulalongkorn University

Training Program

- 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
- Annual Conference and Exposition, Society for Human Resource Management (SHRM), USA (2018)
- 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
- Digital Banking & Inspirational Leadership (2016)
- How Digital Technology Transforms the Financial Service and Experiences (2016)
- Situational Leadership 2015, Slingshot Group
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and Cornell University
- Professional Coach Certification Program 2015, Thailand Coaching Institute
- The GRID for Supervisory Excellence - Experience the Power to Change 2015, Grid Organization Development LLC
- Strategy and Innovation for Businesses in Asia (SIBA): CMMU Session (2014)
- 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, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations None

Experience over Past 5 Years

Oct. 2016 - Mar. 2020 First Executive Vice President - Head of Human Resources and Corporate Governance Group, Krung Thai Bank Pcl.



**10. Mr. Tawatchai Cheevanon**

Senior Executive Vice President -

Head of Global Transaction Banking Group

Age 53

Date of Appointment

January 2, 2019

Education

- Master of Business Administration, Seattle University, USA
- Bachelor of Business Administration, Assumption University

Training Program

- National Defense Course, Class 63, National Defense College
- Master Deal Maker Program, University of Pennsylvania, USA
- Director Certification Program (DCP), Thai Institute of Directors (IOD)
- 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, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

2020 - Present	Committee Member, College of Innovation, Thammasat University
2019 - Present	Director, KTB Computer Services Co., Ltd.
2019 - Present	Director, BCI (Thailand) Co., Ltd.
2019 - Present	Director, InnoSpace (Thailand) Co., Ltd.
2016 - Present	Director, Cycling Cloud Company Limited

Experience over Past 5 Years

Apr. 2019 - Apr. 2020	Director, Krungthai IBJ Leasing Co., Ltd.
Jan. 2019 - Mar. 2020	First Executive Vice President - Head of Global Transaction Banking Group, Krung Thai 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.

**11. Mr. Pongsit Chaichatpornasuk**

Senior Executive Vice President -

Head of Compliance and Legal Management Group

Age 57

Date of Appointment

October 1, 2020

Education

- Bachelor of Laws, Ramkhamhaeng University

Training Program

- Transformative Leadership Program: Executive Session (2021)
- Annual Audit Committee Conference KTB 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 Defense Course for the Joint State-Private Sectors, Class 24, The National Defense College
- Ethical Leadership Program (ELP), Class 11/2018, 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, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

Jan. 2021 - Present	Chairman, KTB Law Co., Ltd.
Jan. 2021 - Present	Director, KTB Computer Services Co., Ltd.

Experience over Past 5 Years

Apr. - Oct 2021	Chairman and Chairman of the Nominating and Remuneration Committee, Krungthai Card Pcl.
Apr. - Oct 2021	Director, National Telecom Pcl.
2014 - Oct. 2020	Director, TOT Pcl.
2014 - Oct. 2020	Executive Vice President of Financial Crime Prevention and Security Group, The Siam Commercial Bank Pcl.

**12. Mr. Kittipat Peantham**

First Executive Vice President -

Head of Government &amp; State Enterprise Relations Group

Age 55

Date of Appointment

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

- 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)
- Identity Determination and Desirable Behavior Management
- GTB & Government Integrated Strategy to Digital Platform
- Leadership Succession Program, Institute of Research and Development for Public Enterprises (IRDPE) (2018)
- National Defense Course, National Defense College (2018)
- One on One Executive Coaching, Slingshot Group (2017)
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and Cornell University
- Wholesale Banking Transformation
- FATCA for Director and Executive Officers

Number of Shares in Company None

% of Shares in Company None

(Not changed since January 1, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Position in Non-Listed Companies/Other Organizations None

Experience over Past 5 Years

- |             |   |
|-------------|---|
| 2017 - 2018 | Executive Vice President - Sector Head,<br>Asset Management Group Credit<br>Restructuring and Asset Management<br>Group, Krung Thai Bank Pcl. |
| 2016 - 2017 | Executive Vice President - Sector Head,<br>Corporate Banking Sector 3, Corporate<br>Banking Group 1, Krung Thai Bank Pcl.                     |

**13. Mr. Pichit Jongsaliswang**

First Executive Vice President -

Head of Retail Strategy Product &amp; Segmentation Group

Age 40

Date of Appointment

April 9, 2019, resigned from the Bank on January 1, 2022

Education

- MBA Kellogg School of Management,  
Northwestern University, USA
- Bachelor of Science in Commerce McIntire, School of  
Commerce Charlottesville, VA University of Virginia, USA

Training Program

- Director Certification Program (DCP) 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) (2019)
- Identity Determination and Desirable Behavior Management

Number of Shares in Company None

% of Shares in Company None

(Not changed since January 1, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Position in Non-Listed Companies/Other Organizations None

Experience over Past 5 Years

- |                       |   |
|-----------------------|---|
| 2020 - Dec 2021       | Director, Krungthai-AXA<br>Life Insurance Pcl.  |
| 2019 - Dec 2021       | Director, Krungthai Card Pcl.   |
| 2019 - Dec 2021       | Member of Investment<br>Committee, Private Equity Trust for<br>SME Growing Together 1 |
| 2019 - Dec 2021       | Member of Investment<br>Committee, Private Equity Trust for<br>SME Growing Together 2 |
| Apr. 2019 - Oct. 2019 | Advisor to the President,<br>Krung Thai Bank Pcl.                                     |
| 2018 - Jan. 2019      | Director, Nestify Co., Ltd.   |
| 2015 - 2017           | Advisor to the President,<br>Krung Thai Bank Pcl. (resigned)                          |

**14. Mr. Chanchai Sinsuparatn**

First Executive Vice President -

Head of Retail Shared Services Group

Age 58

Date of Appointment

December 1, 2019

Education

- MBA, Ramkhamhaeng University
- Bachelor of Arts, Ramkhamhaeng University

Training Program

- 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) 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, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

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 over Past 5 Years

2014 - 2019	Executive Vice President - Sector Head, Retail Loan Factory Sector, Retail Shared Services Group, Krung Thai Bank Pcl.
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**15. Mr. Panabhand Hankijjakul**

First Executive Vice President -

Head of Internal Audit Group

Age 58

Date of Appointment

March 2, 2020

Education

- Master of Economics, The University of Kansas, USA
- Bachelor of Economics, University of the Thai Chamber of Commerce

Training Program

- One on One Executive Coaching (2021)
- Transformative Leadership Program: Executive Session (2021)
- Advanced Audit Committee Program: AACCP 2021
- Director Accreditation Program (DAP)
- Annual Audit Committee Conference KTB Group 2021: AACC 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)
- Procedures for Dealing with Cyber Threats that Come in The Form of Phishing Email (Phishing Email Process) 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) (2020)
- 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)
- The Sustainable Krungthai Initiative for Sustainable Risk Management (2018)
- Cyber Security Awareness (2018)
- Leadership Performance Development (2017)
- Behavioral Economics for Financial Institution Managers (2017)
- Annual Audit Committee CAACC (2017)
- Thailand 4.0: Drive Organizations to Success (2017)
- Leaders as Coach (2017)

- Leadership Development Program for Executive (2016)
- Dealing with Fintech (2016)
- Top Team Workshop (2016)
- Credit Rating Workshop (2016)
- Executive Brand Solicitation, Krung Thai Bank Pcl. (2016)

Number of Shares in Company None

% of Shares in Company None

(Not changed since January 1, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Position in Non-Listed Companies/Other Organizations None

Experience over Past 5 Years

2014 – 2020	Executive Vice President – Head of Credit Risk Management Sector, Risk Management Group, Krung Thai Bank Pcl.
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## 16. Mr. Chalerm Pradidarecheep

First Executive Vice President –

Head of Retail Banking Sales and Distribution Group

Age 58

Date of Appointment

October 1, 2020

Education

- Master of Public and Private Management  
National Institute of Development Administration
- Bachelor of Science, Kasetsart University

Training Program

- Compliance with Foreign Account Tax Compliance Act (FATCA) of 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: Ransom Malware 2020
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2020)
- Innovation Workshop (2020)
- Introduction to Thai Financial Reporting Standards 9 (TFRS 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)
- Identity Determination and Desirable Behavior Management 2019
- Procedures for Dealing with Cyber Threats that Come in The Form of Phishing Email (Phishing Email Process) 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, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Position in Non-Listed Companies/Other Organizations

Apr. 2021 – Present	Director and Member of the Corporate Governance Committee, Krungthai Panich Insurance Pcl.
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Experience over Past 5 Years

2018 – 2020	Executive Vice President – Head of Metropolitan Business Center Sector 2, Retail Banking Sales and Distribution Group, Krung Thai Bank Pcl.
2017 – 2018	Senior Vice President – Head of Metropolitan Business Center Sector 2, Retail Banking Sales and Distribution Group, Krung Thai Bank Pcl.
2015 – 2017	Senior Vice President – Regional Office Manager, Suan Mali Regional Office, Metropolitan Business Center Sector 1, Retail Banking Sales and Distribution Group, Krung Thai Bank Pcl.

**17. Ms. Suwanna Anantanond**

First Executive Vice President -

Head of Credit Restructuring and Asset Management Group

Age 48

Date of Appointment

October 1, 2020

Education

- Master of Business Administration, Thammasat University
- Bachelor of Business Administration, Chulalongkorn University

Training Program

- Transformative Leadership Program: Executive Session (2021)
- Workshop "Project of IFRS9 Impairment Model (Quick Fix + Enhancement)" (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)
- Procedures for Dealing with Cyber Threats that Come in The Form of Phishing Email (Phishing Email Process) 2019
- IFRS9 Preparation for Executives (2019)
- Reimaging Your Business for the Digital Age (2019)
- Introduction to Personal Data Protection Act B.E. 2562: PDPA (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

(No shares held since January 1, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Position in Non-Listed Companies/Other Organizations

Apr. 2021 - Present Director and Member of Investment Committee, Krungthai Panich Insurance Pcl.

Experience over Past 5 Years

2015 - Oct. 2020 Executive Vice President - Head of Corporate Banking Sector 6, Corporate Banking Group 2, Krung Thai Bank Pcl.

**18. Mr. Krit Chamapisit**

First Executive Vice President -

Head of Communication and Branding Group

Age 51

Date of Appointment

October 1, 2020

Education

- Master of Marketing, Thammasat University
- Bachelor of Accounting, Chulalongkorn University

Training Program

- General Management, DUKE University, USA
- 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)
- Introduction to Thai Financial Reporting Standards 9 (IFRS 9) (2020)
- Ransomware: Ransom Malware 2020
- Cyber Security Awareness (2019)
- Procedures for Dealing with Cyber Threats that Come in The Form of Phishing Email (Phishing Email Process) 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, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Position in Non-Listed Companies/Other Organizations None

Experience over Past 5 Years

Nov. 2018 – Sep. 2020	Executive Vice President – Head of Communication and Branding Sector, Communication and Branding Group, Krung Thai Bank Pcl.
2018 – Nov. 2018	Advisor to the President, Krung Thai Bank Pcl.
2011 – 2018	Senior Director – Head of Corporate Marketing & Channel Management Division, Siam Commercial Bank Pcl.

- Human Performance Design Professional Education Center (1997)
- Seminar Corplan' 96 Management Association (1996)

Number of Shares in Company None

% of Shares in Company None

(Not changed since July 9, 2021)

Family Relationship with Director and Executive Officer None

Position in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

Nov. 2021 – Present Director, Arise by Infinitas Co., Ltd.

Nov. 2021 – Present Director, Infinitas by Krungthai Co., Ltd.

Experience over Past 5 Years

2018 – 2021	CEO, Central JD Fintech
2017 – 2018	Chief Customer Officer, Central Group, Bangkok, Thailand

In the past 5 years, directors, executives, and controlling persons under the Securities and Exchange Act B.E. 2535 (1992) or the Derivatives Act B.E. 2546 (2003) have had no record of being punished for only the following offenses:

- (1) Act of dishonesty or gross negligence;
- (2) Disclosure or dissemination of information, or false statements that may cause misunderstandings, or concealment of factual statements that should be disclosed in material matters affecting the decision of shareholders, investors, or related persons; and
- (3) Acts of unfairness or taking advantage of investors in the trading of securities or derivatives, or acting in or having previously participated in or encouraged such action

## 19. Mr. Rungruang Sukkirdkijpiboon

Advisor to The President, Krungthai Bank tel.

Age 51

Date of Appointment

July 9, 2021, Acting for Group Head of Retail Banking Product & Strategy Group Since January 1, 2022

Education

- Master of Business Administration, University of Arkansas at Little Rock, Arkansas, USA
- Bachelor's degree in Economics, Thammasat University

Training Program

- Advanced Manager Course GE Capital Training (2003)
- Quality Master Black Belt GE Capital Training (2000)
- Quality Black Belt GE Capital Training (1999)
- Design for Performance Change Accenture Training Center, St Charles (1998)

## 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

Name	Krunghthai	Subsidiaries <sup>(1)</sup>									Associated companies <sup>(1)</sup>						Related Companies						
																	Other Companies <sup>(2)</sup>		Companies with joint Directors				
		1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	1	2	1	2	3	4	5
Directors																							
Mr. Krisada	Chinavicharana	XX																	X				
Mr. Krairit	Euchukanonchai	A				XX		XX												XX	X	X	X
Mr. Vichai	Assarasakorn	X																					
Mr. Thanwa	Laohasiriwong	X																					
Prof. Dr. Kittipong	Kittayarak	X																					
Mr. Teerapong	Wongsiwawilas	X																					
General Tienchai	Rubporn	X																					
Mr. Poonnis	Sakuntanaga	/																					
Ms. Nitima	Thepvanangkul	X																					
Mr. Lavaron	Sangsnit	/																					
Dr. Kulaya	Tantitemit	X		X																			
Mr. Payong	Srivanich	B				X									XX			X					
Group head or equivalent																							
Ms. Praralee	Ratanaprasartporn	M				X	X	X	XX		X												
Mr. Weerapong	Suppasedsak	M									/		/										
Mr. Suratun	Kongton	M															X						
Mr. Rawin	Boonyanusasna	M						X			X	/											
Mr. Ekachai	Techawiriyakul	M											XX				X						
Ms. Saranya	Vejakul	M				X							/										
Mr. Santi	Parivisutt	M		X																			
Mr. Suppawat	Wadhanapatee	M																					
Mr. Tawatchai	Cheevanon	M			X									X									
Mr. Pongsit	Chaichutpornsuk	M	XX		X																		
Mr. Kittipat	Peantham	M																					
Mr. Pichit	Jongsaliswang	M																					
Mr. Chanchai	Sinsuparatn	M		X						X													
Mr. Panabhand	Hankijjakul	M																					
Mr. Chalerm	Pradidarecheep	M											X										
Ms. Suwanna	Anantanond	M											X										
Mr. Krit	Chamapisit	M																					
Mr. Rungruang	Sukkirdkijpiboon	M						X	X														

**Symbol**

XX = Chairman  
 / = Executive Director  
 X = Director  
 C = President  
 M = Group Head

A = Mr. Krairit Euchukanonchai holds the following positions in Krunghthai:

- Vice Chairman
- Chairman of the Board of Executive Directors

B = Mr. Payong Srivanich holds the following positions in Krunghthai:

- President
- Executive Director
- Director

#### Notes

- (1) "Subsidiaries", "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 Securities
- (2) Other companies are companies in which the Bank holds shares of 10 percent or more (excluding subsidiaries and associated companies under Clause 1) and companies in which the Bank holds shares due to debt restructuring, which is outside the Bank's financial business group.



Name		Krungthai	Related Companies																					Companies with joint Senior Executives		
			Companies with joint Directors																							
			6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	1	2	3					
Directors																										
Mr. Krisada	Chinavicharana	XX																								
Mr. Krairit	Euchukanonchai	A	XX																							
Mr. Vichai	Assarasakorn	X		XX	X	X	X																			
Mr. Thanwa	Laohasiriwong	X						X	X	X																
Prof. Dr. Kittipong	Kittayarak	X									X	X	X	X												
Mr. Teerapong	Wongsiwawilas	X																								
General Tienchai	Rubporn	X																								
Mr. Poonnis	Sakuntanaga	/															/									
Ms. Nitima	Thepvanangkul	X																								
Mr. Lavaron	Sangsnit	/																X								
Dr. Kulaya	Tantitemit	X																	X							
Mr. Payong	Srivanich	B																		XX						
Group head or equivalent																										
Ms. Praralee	Ratanaprasartporn	M																								
Mr. Weerapong	Suppasedsak	M																								
Mr. Suratun	Kongton	M																								
Mr. Rawin	Boonyanusasna	M																			X					
Mr. Ekachai	Techawiriyakul	M																								
Ms. Saranya	Vejakul	M																								
Mr. Santi	Parivisutt	M																								
Mr. Suppawat	Wadhanapatee	M																								
Mr. Tawatchai	Cheevanon	M																					XX	X		
Mr. Pongsit	Chaichutpornsuk	M																								
Mr. Kittipat	Peantham	M																								
Mr. Pichit	Jongsaliswang	M																								
Mr. Chanchai	Sinsuparatn	M																								
Mr. Panabhand	Hankijjakul	M																								
Mr. Chalerm	Pradidarecheep	M																								
Ms. Suwanna	Anantanond	M																								
Mr. Krit	Chamapisit	M																								
Mr. Rungruang	Sukkirdkijpiboon	M																								

**Subsidiaries <sup>(1)</sup>**

1. KTB Law Co., Ltd.
2. KTB General Services and Security Co., Ltd.
3. Krungthai Asset Management Pcl.
4. KTB 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.

**Associated companies <sup>(1)</sup>**

1. Krungthai-AXA Life Insurance Pcl.
2. Krungthai Zmco Securities Co., Ltd.

3. Krung Thai IBJ Leasing Co., Ltd.\*
4. Krungthai Panich Insurance Pcl.
5. BCI (Thailand) Co., Ltd.
6. National ITMX Co., Ltd.

**Other Companies <sup>(2)</sup>**

1. Suvarnabhumi Airport Hotel Co., Ltd.
2. Dhipaya Group Holdings Pcl.

**Companies with joint Directors**

1. PTI Pcl.
2. PTI Exploration and Production Pcl.
3. Advanced Info Service Pcl.
4. Advanced Wireless Network Co., Ltd.

5. AIS Digital Life Co., Ltd.
6. V.Group Honda Cars Co., Ltd. and its Subsidiaries
7. Asian Alliance International Co., Ltd.
8. Shiang Heng International Co., Ltd.
9. Panel Plus Co., Ltd.
10. Panel Plus MDF Co., Ltd.
11. TPBI Pcl.
12. Supamitr General Hospital Pcl.
13. Relationship Republic Co., Ltd.
14. Dusit Thani Pcl.
15. Charoen Pokphand Foods Pcl.
16. True Corporation Pcl.
17. CP ALL Pcl.

18. Elixier Foods & Beverages Co., Ltd.
19. Global Power Synergy Pcl.
20. Bangchak Corporation Pcl.
21. National Digital ID Co., Ltd.

**Companies with joint Senior Executives**

1. CMDF Digital Infrastructure Co., Ltd.
2. Cycling Cloud Co., Ltd.
3. InnoSpace (Thailand) Co., Ltd.

\* On 5 January 2022, change its name to Krungthai Mizuho Leasing 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  
First Executive Vice President Group Head  
Internal Audit Group

#### 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

Mr. Pongsit Chaichutpornasuk  
Senior Executive Vice President Group Head  
Compliance and Legal Management Group

#### Date of Appointment

December 16, 2020 - September 9, 2021

(The biography, namely education, training, other current positions and work experiences in the past 5 years is shown in Attachment 1.)

Ms. Dujhathai Somboonitaya  
Executive Vice President Sector Head  
Compliance and Procedures Sector

#### Date of Appointment

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, 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. Regulatory Compliance 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, Regulatory Compliance has to communicate to the internal units of the Bank about the new and amendment of law and regulations.

### Corporate Secretary

Mr. Pongsit Chaichatpornasuk  
Senior Executive Vice President Group Head,  
Compliance and Legal Management Group

### 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 issues
- 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

### Chief Financial Officer

Ms. Saranya Vejakul  
Senior Executive Vice President Group Head  
Financial Management Group

### 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, evaluation on the performance of state enterprises between the Bank and the Ministry of Finance, including 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

First Vice President Department Head, Accounting Department

Financial Management Group

**Position Taking Date**

May 15, 2019

**Education**

- Master Degree: Economics, Thammasat University
- Bachelor Degree: Accounting, Chulalongkorn University
- Certified Public Accountant (CPA) (Thailand)

**Training Course**

- TFRS 9: Financial Instruments - Hedge Accounting (Intermediate Workshop) (2020)
- TFRS 9: Financial Instruments - Hedge Accounting (Advanced Workshop) (2020)
- Ransomware 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)
- FMG's Journey (Strategy Day) (2020)
- Account Reconciliation Techniques for Validation (2020)
- Krungthai Employee Engagement 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
- 2019 Digital Transformation in Banking for Financial Management Group
- All Topics of 2018 TFRS
- Cost Management to Increase Value and Sustainability
- New Thai Financial Reporting Standards (TFRS) for 2019 and 2020
- FMG's Journey
- Law Related to Debt Restructuring
- Derivatives and Financial Instruments
- IFRS Update Conference at Toronto Canada
- Integrated Reporting
- Forensic Accounting
- Tax Planning

**Work Experience (2016-Present)**

- [Krungthai Bank Pcl.](#)  
May 2019 - Present First Vice President Department Head, Accounting Department, Financial Management Group  
March 2018 - April 2019 First Vice President, Financial Management Group
- [Thanachart Bank Pcl.](#)  
August 2016 - March 2018 VP, Performance Analysis and Reporting  
2012 - July 2016 VP, Account Policy and Procedure

## Attachment 4 Business Assets and Details on Asset Revaluation.

Business Assets and Details on Asset Revaluation

-None-

## Attachment 5 Policy and Practice Guidelines on Corporate Governance (Full Version) and Code of Business Conduct (Full Version)

### Policy and Practice Guidelines on Corporate Governance

Good Corporate Governance becomes increasingly vital for business operations nowadays, especially for commercial bank business involving many stakeholders. When the management lacks good corporate governance, it will cause negative effects on both the business in particular and the broader impacts on stakeholders and the overall economy. Krungthai Bank, as the largest state commercial bank, takes into account the importance of corporate government as one of the main missions of proper business practices. Additionally, the Bank is determined to create a good corporate governance culture in the organization.

Moreover, the Board of Directors has entrusted the Corporate Governance and Social Responsibility Committee to formulate the action plans and measures to ensure the execution of the corporate governance policy. The Committee assesses the implementation of the policy and updates policy to be appropriate regularly. In addition, the Committee followed up and improved the practice guidelines to be in line with the good corporate governance guidelines domestically and internationally in order to achieve the international standards.

Besides, the Bank sets the whistleblowing policy and gives opportunities to stakeholders to report any wrongdoing through various channels. Any wrongdoing, including corruption, illegal actions, violation and non-compliance with the Bank's or regulators made by directors, executives, staff, employee or subsidiaries' staff, the whistleblower can report through the specified whistleblowing channels. In addition, the clues can be reported directly to the Chairman of the Board of Directors via email: [whistletruth@krungthai.com](mailto:whistletruth@krungthai.com). Anyhow, the information of the whistle blower will be kept confidential and protected during the examination and after the process finishes.

The Corporate Governance Guidelines (full version) is available on the Bank's website: [www.krungthai.com](http://www.krungthai.com) Click -> About Us -> Corporate Governance -> Corporate Governance Policies

### Code of Business Conduct

The Code of Business Conduct of Krungthai Bank comprises 9 topics as follows:

1. Code of Conduct
  - Individual Integrity
  - Compliance with Legal Regulations
  - Ethical Business Operation
  - Anti-Money Laundering
  - Anti-Bribery and Corruption
  - Charitable Donation
  - Social Responsibility
  - Environmental Care
  - Respect for Human Rights
  - Respect for Intellectual Property
  - Public Procurement
2. Board of Directors and Executives Roles
  - Management Role
  - Governance Role
  - Transaction with the Bank
3. Service Standard
  - Standard Terms of Services
  - Requirements of Service Standard
  - Debt Collection Standard
4. Staffs and Working Environment
  - Workplace Diversity
  - Equality in the Workplace
  - Pride at Work

- Safe Working Environment
- Fair Treatment
- 5. Responsibility to Customers
  - Treatment for Customer's Utmost Benefit
  - Response to Customer Complaints
  - Advertisement and Marketing Campaigns
- 6. Conflicts of Interest
  - Prevention on Exploiting Inside Information
  - Personal Investment
  - Conflict Avoidance
  - Receiving and Giving Other Interest
- 7. Practices for Information
  - Confidential Data Management
  - Communication Responsibility
- 8. Overall Compliance
  - Compliance Culture
  - Whistleblowing Policy
- 9. Trade Competition and Dispute Resolution
  - Monopoly
  - Internal Dispute Resolution
  - External Dispute Resolution

In addition, the Bank requires that the monitoring and overseeing the compliance with the Code of Conduct, is the responsibility of all supervisors at all levels. Hence, this shall be set as part of employee disciplinary.

## 1. Code of Conduct

### Individual Integrity

The Bank aims for conduct business with honesty and without exploitation. The principle of anti-corruption is laid down in compliance with law and regulations of the Bank. All activities and decisions of the Bank are made under code of conduct.

### Compliance with Legal Regulations

Since the Bank operates its business in the industry with strict regulation, therefore; the high awareness of and compliance with law and regulations is important for business and foundation of the Bank. All employees must always keep in mind that they must comply with not only written code of conduct but also must intend to adhere to the law. Violation of law or participation in unfair, fraudulent and dangerous acts will result in weakening customers' confidence and putting the Bank's reputation at risk as well as effecting to the assessment of regulator, prosecution, fines and penalty, including other negative feedback on the Bank.

### Code of Conduct

Apart from compliance with law and regulations, the Bank anticipates that all employees will strongly adhere to the highest standard of code of conduct. The Bank commits itself to serve customers and all stakeholders with fairness, integrity and without discrimination. Furthermore, the Bank will offer competitive advantages by providing premium products and services and never participated in business competition in illegal and unethical conduct.

### Anti-Money Laundering

Money laundering is the crime that seem as if the money has been obtained legally. It results from crimes such as corruption, drug trafficking and terrorism. Anti-money laundering policy and related process of the Bank are designed to comply with law and regulations related to laundering, financial terrorism and economic sanctions. All employees have responsibility to follow such the policy, process and control.

### Anti-Bribery and Corruption

Accepting and taking bribes is prohibited. All employees of the Bank must not directly or indirectly offer or promise to give valuable things to state officers, customers or business partners which is the chance to gain advantage. All employees must not request or accept valuable things from anyone if such giving is provided with inappropriately intention to affect the employees' decisions on behalf of Krungthai Bank.

Offers of gifts/hospitality must be made in 'good faith' and are not considered legitimate if the intention behind the offer is to advantage the individual making the offer.



#### Charitable Donation

The Bank intends to conduct good business and perform role in supporting society. The Bank's donation will be various charitable support and contribute to other organizations appropriately.

#### Social Responsibility

The Bank commits to seriously and continuously giving back to society and exhibits social responsibility in various forms through products and services, including extra activities with the intention to encourage sustainable development.

#### Environmental Care

The Bank attaches importance to environmental management by using resources effectively and efficiently as well as helps reducing environmental impact from operations. The Bank also encourages all employees to pay attention to environmental care.

#### Respect for Human Rights

The Bank conducts its business by adhering to national and international laws as well as Universal Declaration of Human Rights or UDHR. The Bank promotes the basic human rights principles in every business units and business areas of the Bank. The Bank respects for protecting and not involving human rights violations according to principles specified in Universal Declaration of Human Rights of the United Nations.

#### Respect for Intellectual Property

The Bank will not violate intellectual properties - trademark, patent, trade secret and other copyright works. By using, publicizing or modifying any intellectual property, the permission from the owner of such intellectual property must be granted. Meanwhile, all employees must protect the Bank's intellectual properties, e.g. patent, trademark, trade secret, copyright and other information of the Bank.

#### Public Procurement

Bank shall operate business by fair competition, trustworthiness, a good faith and transparency. By means of any bank operations relating to public procurement, bank shall conduct legally in accordance with the procurement regulation and rules. Furthermore, Bank shall not interfere in or take any profits from personal relationship for misconducting with government officer in order to receive any contracts or deals from government sectors and state enterprise, whether in domestic or abroad, including comply with Anti Bribery and Corruption Policy.

## 2. Board of Directors and Executives Roles

#### Management Role

Directors and executives have responsibility manage and support the Bank to get good operating performance and profits continually and sustainably by means of conducting business with prudence and transparency as well as its competitive competency to build value added to shareholders in long term.

#### Governance Role

Directors and executives must perform their duty with responsibility, carefulness and honesty as well as complying with law, objectives, regulations of the organization, board resolutions and resolution of shareholders' meeting (Fiduciary Duty), together with providing internal control system, effective risk management and promoting good governance in every level.

#### Transaction with the Bank

and in the normal commercial manner as similar to transactions with ordinary person with no special relationship. Directors and executives must essentially perform operation for advantages of the Bank and avoid conflict of interest.

## 3. Service Standard

#### Standard Terms of Services

When any customer or person requests, the Bank shall provide the following information:

- a) Terms and conditions for existing transactions services of that Bank
- b) Other standard fees and expenses that are or may be charged for existing transactions and;
- c) Interest rate for existing transactions of the Bank

#### Requirements of Service Standard

When any customer requires details of transactions provided by the Bank, the Bank will provide accurate information as follows:

- a) Procedure of opening account
- b) The Bank's duty of customer confidentiality of
- c) The Bank's method of dealing with complaints
- d) Suggestion for contacting the Bank in case of any service obstruction arising in order that the Bank can solve problem promptly
- e) Suggestion for reading of terms and conditions related to the transaction services

#### Debt Collection Standard

The Bank and its representatives will comply with laws when they attempt to collect obligation which has become past due. The Bank will ensure that every individual who is assigned to collect the debt will follow the same procedures. If the Bank acknowledges that a representative of the Bank or an individual assigned by the Bank to collect the debt does not comply with the law, the Bank will take actions to ensure that their compliance.

### 4. Staffs and Working Environment

#### Workplace Diversity

The Bank values performance of all employees. Workplace diversity means diversity in ideas and experiences, which are great stimulus. Furthermore, it reflects diversity in the Bank's customer base and allows the Bank to identify and respond to different needs and opportunities. The Bank will not allow discrimination based on race, color, nationality, citizen status, belief, religion, religious practice, age, gender, sexuality, pregnancy, maternity, caregiving responsibility, marital status, same-sex civil partnership, sexual orientation, sexual identity, gender expression, genetic information, disability, veteran status or any other status protected by law.

#### Equality in the Workplace

The Bank promotes equality in the workplace so that all employees have equal chance at work. The Bank will not allow any actions which cause discrimination, especially discrimination based on race, nationality, gender, sexuality, religion, age, marital status, pregnancy, disability or any other status protected by law.

#### Pride at Work

The Bank is determined to promote pride as a Bank's employee and is opposed to any interactions undermining employee pride, e.g. harassment or defamation, which are against the Bank's code of ethics.

#### Safe Working Environment

The Bank ensures that working environment is free of violence, bully, harassment or any harmful actions. In case of violent act, whether to individual or the Bank's asset, the incident must be immediately reported to relevant agencies. Employees are not allowed to sell or distribute alcohol or drug in the Bank or while working.

#### Fair Treatment

The Bank promotes and encourages its employees to get self-development opportunities. Fair remuneration is provided to employees based on fair performance appraisal. Personal data of all employees are kept confidential and will not be exploited for benefit.

### 5. Responsibility to Customers

#### Treatment for Customer's Utmost Benefit

The Bank handles its customers while prioritizing the customers' benefit, so that the customers received fair, responsible and consistent services from the Bank. The Bank will listen to the customers' opinion and ensure that the customers are served professionally and treated with respect while their satisfaction is considered as first priority.

#### Response to Customer Complaints

The Bank handles to customer complaints promptly and professionally by investigating surrounding circumstances, trying to understand the problem and taking action promptly. The Bank will investigate using appropriate, transparent and fair methods and will learn from errors to improve the services.

### Advertisement and Marketing Campaigns

The Bank advertises and runs marketing campaigns, as well as offering the best products and services that meet customers' needs and suit their capacity. The Bank also disclose information about the Bank's products and services so that customers have good understanding about the products and services and have adequate information to make decisions. Furthermore, the Bank's advertising materials must be transparent and must contain no misleading content.

## 6. Conflicts of Interest

### Prevention on Exploiting Inside Information

As an employee of a financial service provider, you may have access to Material Non-Public Information (MNPI) regarding the Bank, customers and other companies in business relationship with the Bank.

MNPI is information not generally disclosed to the public. In case such information is disclosed to public, there is high possibility to impact the market price of assets issued by the certain company (whether the Bank or other companies) or will influence investors' decision to buy or sell the asset.

Policy and rules regarding information barrier, e.g. Chinese Wall, are established to serve as a guideline for preventing non-public information exchange between employees working in private side and public side. Therefore, it is the duty of the involving employees to review and follow the policy and rules regarding information barrier governing their transactions.

### Personal Investment

Every employees of the Bank must ensure that their personal investment is conducted while bearing in mind the Bank's reputation. The personal investment must comply with all relevant laws, regulations, the Bank's policies. Moreover, while in the role of the Bank's employees, they must primarily consider the interest and benefit of the Bank's customers and the Bank, not their own interest and benefit.

### Conflict Avoidance

The Bank's employees must avoid being involved in any activities or relationships that may affect their neutrality in making decisions as a Bank's employee. The employees must not allow their personal interest to have conflict or appear to have conflict with the Bank's interest.

### Receiving and Giving Other Interest

The Bank's employees must be careful in accepting, receiving, or instructing others to accept or give the interest on their, their spouses' or their relatives' behalf when the interest/benefit may influence their business decisions in the Bank's matter or when the giver expects career advancement or favorable performance appraisal. Other benefit includes gifts, souvenirs, money, any assets or benefits with monetary value, e.g. reduction of loan principal, reduction of loan principal gratis, interest-free loan, provision of services free of charge or interest or with less charge in comparison with the normal commercial charge for others, and any other acts in the interest of such persons which could be calculated in monetary term or those with zero expenses to be incurred, as reflected in the rules and regulations stipulated by the Office of the National Anti-Corruption Commission.

## 7. Practices for Information

### Confidential Data Management

The Bank's employees must keep the Bank's confidentiality. Confidential data may be in the format of written documents, telephone conversation or various electronic formats from applications, business strategies, as well as list of customers in credit process, customer privileges and personal data. In identifying confidential data in accordance with code of conduct's best practice is to consider all personal data and information regarding the Bank and its business (concerning customers, partners, suppliers, directors and employees in the past, present and future) confidential unless otherwise specified.

### Communication Responsibility

The Bank respects the employee's rights to participated in the discussion on topic related to society, profession and politics outside the workplace. However, all information regarding the Bank and its business must be communicated by a person who is authorized to speak on behalf of the Bank in order to ensure that the communication is accurate and truly reflects the Bank's opinion. Besides, the Bank is aware of its duty to be in complying with regulations regarding communications and to protect the confidentiality of the Bank's business and the customers' data.

## 8. Overall Compliance

### Compliance Culture

The best practice to ensure compliance with rules is to build compliance culture in the organization. In order to accomplish the goal, the top executives must be the role model by working with integrity, transparency and fairness. Moreover, all employees must perform their duty while prioritizing accuracy over speed of service, profit or personal image.

### Whistleblowing Policy

When encountering violation of rules/regulations, employees can make a report or complaint to Office of the President or the division specified in Whistleblowing Policy. The Bank promises that all complaints will be considered fairly, transparently and carefully throughout the whole process. The identity of the whistleblower will be kept confidential and the whistleblower will be protected throughout the investigation process and after it ends.

## 9. Trade Competition and Dispute Resolution

### Monopoly

The Bank operates its business independently and competes in the business fairly. The Bank and its employees must not verbally attack competitors or provide ambiguous information to discredit competitors. Furthermore, they must not inappropriately interfere with the customers' decision to switch to other banks.

### Internal Dispute Resolution

The Bank arrange internal dispute resolution as an internal process without fee charge, whether it is the employee's dispute concerning his/her job or dispute between the Bank and its customer. The Bank prioritizes the satisfaction of both its employees and customers and informs them of the coordinator's name. If there's a delay in investigation, the Bank shall be able to explain the reasons of the delay.

### External Dispute Resolution

If a conflict which requires external dispute resolution process, e.g. adjudicative process or any other non-court dispute resolution process, the Bank will be cooperative in the external dispute resolution process. The process will be free of charge and meet the standard of external dispute resolution. However, it must conform with conditions relating to the Bank.

The Code of Business Conduct (full version) is available on the Bank's website: [www.krungthai.com](http://www.krungthai.com) Click -> About Us -> Corporate Governances -> Business Ethics

## The Board of Directors Charter and the Sub-Committee Charter

Details of the Board of Directors Charter and the Sub-Committee Charter is available on the Bank's website: [www.krungthai.com](http://www.krungthai.com) Click -> About Us -> Corporate Governances -> Charter of Board which consists of

- Board of Directors Charter
- Board of Executive Directors Charter
- Audit Committee Charter
- The Corporate Governance & Social Responsibility Committee Charter
- Nominating & Remuneration Committee Charter
- Risk Oversight Committee Charter
- Compliance Committee Charter
- Independent Committee Charter

## Attachment 6

### Report of the Audit Committee 2021

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. General Tienchai | Rubporn       | Member of the Audit Committee   |
| 3. Mrs. Nitima      | Thepvanangkul | Member of the Audit Committee   |

Mr. Panabhand Hankijjakul - First Executive Vice President - Head of Internal Audit Group, is the secretary for the Audit Committee.

The Audit Committee performed duties in accordance with the scope of work and responsibilities defined in the Audit Committee Charter as assigned by the Board of Directors, which comply with the Best Practice of the Securities and Exchange Commission and the regulations of the Ministry of Finance. The Committee put emphasis on stipulating systematic working procedures in terms of good corporate governance, risk management system and the adequate internal control. Additionally, the Committee also places importance on the efficient and effective internal audit process that is corresponding to the strategy of the Bank and the Internal Audit Group. In particular, the Committee encourages the value-added creation and the prevention of damages that may occur to the Bank, as well as endeavoring to become the Trusted Advisor. The crucial details of responsibilities are clarified as follows:

- Emphasize on the risk culture cultivation with the intention of driving the Bank's operations in compliance with the principles of good governance and having strong internal controls that accommodated for business changes. Through the continuous implementation of Krungthai Moral Initiative (One Unit, One Sustainable Plan), the business units acting as the First Line of Defense units have extensively taken part in the project and adopted the Inside-out Blasting approach of H.M. King Bhumibol Adulyadej the Great (King Rama IX) concurrently. As a result, the execution of the Three Lines Model has progressed efficiently.

- Support the Internal Audit Group to implement the Internal Audit Group strategy - AAA: Assurance, Advising and Anticipation. In elaboration, the relevant actions have been carried out through increasing the role of Assurance through the development of work quality while adding additional value to the advice and recommendations based on what was detected (Advising). Finally, Anticipation, the risks shall be anticipated in order to prevent and close the potential risk that may initially occur. In 2021, the Internal Audit Group with the Management has executed the Design Thinking process in the Advising approach in an attempt to identify causes of the problems and seek for the solutions.

- Support the implementation of technology as a tool in the audit process. By adopting Robotic Process Automation (RPA) into operation, its execution starts from the development of the rule base for auditing, data analysis, along with the continuous audit, in order to increase efficiency of the audit in general. In addition, this shall also elevate the prevention and solution of problems caused by system malfunctions with the purpose of preventing the damage that may occur to the Bank consequently. In 2021, the Internal Audit Group has stipulated an audit process and developed the Continuous Audit format by using Data Analytic and RPA as the main audit tools, as well as establishing the automated audit process. As a result, it enables the audit to cover the entire scope of the particular audit matters and shorten the period of the audit operation.

- Encourage all employees in the Internal Audit Group to have the knowledge, competence and essential skills necessary to conduct audits professionally and efficiently. The purposes are to support the Bank's business operations and adaptation to step into the digital banking context, as well as achieving the goals of being the relevant supporter and consultant to the audited agency.

- Provide suggestions to develop and improve the Bank's processes to be more efficient by taking the findings or events detected by the Internal Audit Group or the regulatory agencies as the Lesson Learned materials in consideration for the improvement of such working processes.

During the year 2021, the Audit Committee held 19 meetings in total with the objectives to consider related issues with the Management, Senior 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	18
General Tienchai	Rubporn	19
Mrs. Nitima	Thepvanangkul	19

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 executives of the Financial Management Group monthly reviewed the operation performances and quarterly, half-yearly and annually reviewed 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 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 specified laws and the Financial Reporting Standards, while the disclosures of information were adequate, complete, timely, reliable and practical to the users of financial statement. In the meantime, the Audit Committee and the auditors also held the extraordinary meetings without the participation of the Management to discuss about the scopes, guidelines and audit plans, the independence of the audit performance, including suspected behavior in connection with corruption or violation of laws regarding the duty performance of the directors and executives under Section 89/25 of the Securities and Exchange Act. In 2021, the 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 subsidiaries, 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. During 2021, 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. Furthermore, 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. In addition, the Committee monitored both internal and external challenging situations that affected the Bank, especially the matters related to credit risk, the adequacy of provisions, including NPL and NPA management processes.

## Review the Effectiveness of Internal Control System

According to the regulations by the Office of the Auditor General of Thailand, the report of internal control assessment was reviewed. The Committee monitored the establishment of the internal control system and the self-assessment of the internal controls to ensure that the Bank's internal control system was adequate and appropriate.

## Review the Compliance Operations

The Audit Committee regularly reviewed the compliance with laws and regulations related to the Bank's business operations. Regarding to this, the Committee considered the result of overseeing the compliance with laws and regulations from the minutes of the Compliance Committee's meeting, the inspection results of the regulatory agencies and the external auditors in order to ensure that the Bank has complied with related laws, requirements of the regulators and the Bank's regulations.

## Oversee the Internal Audit Operations

The Audit Committee approved the review of the Internal Audit Group 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 Internal Audit Group's strategic plan, 5-year audit plan, annual audit plan and working manual of the Internal Audit Group. Furthermore, the Committee considered approving the annual budget of Internal Audit Group, 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 Internal Audit Group Head, the audit result of Internal Audit Group, including monitoring the revised of key points and the performance progress in conforming with the approved audit plans. For further efficient operations, the Committee also provided recommendations and supervised the handling of complaints or whistleblowing appropriately and fairly to all related parties. Moreover, the Committee also approved the annual credit review plan for credit transactions of the financial institutions conducted

by the Credit Review Department before presenting to the Bank's Board of Directors for approval. Accordingly, the Committee shall follow up the implementation of the plans and the review results of the Credit Review Department respectively.

## Sustain the Quality of the Audit Committee

The Audit Committee Charter was reviewed and revised. The performance evaluation of the Audit Committee was conducted on individual Director and board-as-a-whole (self-assessment and cross evaluation) in accordance with the Best Practice of the Ministry of Finance and the Good Practice of the Securities and Exchange Commission to ensure that the operations of the Audit Committee were efficient and achieved the objectives as defined in the Audit Committee Charter. Nevertheless, the skill and knowledge development plan for the Audit Committee has been established based on the required Skill Matrix in an attempt to enhance the Committee's performance efficiency.

## External Auditor

The Audit Committee considered the appointment of the external auditor on an annual basis. After the Board of Directors' approval, the Audit Committee proposed the appointment of the external auditor in the Annual Ordinary General Meeting of Shareholders. In 2021, the meeting had a resolution to appoint the EY Office Company Limited to be the Bank's external auditor. The proposed auditors have been considered by their qualification, knowledge, expertise, audit experience in banking business, audit programs as well as auditor independence in accordance with the regulation prescribed by the Bank of Thailand and the Securities and Exchange Commission. In this regard, the auditor has received the approval from the State Audit Office of the Kingdom of Thailand. Meanwhile, the Bank also took into consideration the appropriateness of the audit fee and other services provided by the auditor to ensure that it does not affect the independence of the auditors in the audit service.

The Audit Committee performed its duty as assigned by the Board of Directors and complied with the responsibilities specified in the Audit Committee Charter with prudence and independence. All the opinions expressed were straightforward, transparent, verifiable and in line with the good corporate governance principles. In addition, the Committee provided honest opinions and suggestions for the utmost benefit of the Bank, regardless of limitations in obtaining information, resources and cooperation from the Bank. The Audit Committee is of the opinion that the Bank's financial statements and information disclosure are complete, reliable and consistent with the Financial Reporting Standards. In the meantime, the auditor is independent and performs duty due to professional expertise. Overall risk management and internal control systems have been executed effectively and adequately. Internal audits have been independently conducted covering high-risk operations and complying with the internal audit standards. Besides, the appropriate system of control in place has been ensured to follow the applicable laws and regulations corresponding with the current business environment.



(Mr. Vichai Assarasakorn)

Chairman of the Audit Committee



**Krungthai**

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This Form 56-1 One Report 2021 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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