



Empowering **BETTER LIFE** for all Thais

Annual Registration Statement and Annual Report 2022
(Form 56-1 One Report)



05

7 Strategic Focuses

Continue implementing the 2-banking-models or carrier-speedboat strategy through **7 strategic focuses**.

01 Unlock Disproportionate Value from X2G2X

Establish connections among various customer groups, including B2B, B2C, G2B, and G2C. Develop platforms that cater to the needs of customers' partners and reach out to grassroots customers to reduce inequality.



02 Leverage Digital and Data to Drive Efficiency

Accelerate the adoption of data and technology to enhance work processes and gain a better understanding of customer needs, enabling more precise responses.

03 Launch New Growth Platforms

Introduce innovative growth platforms, including WealthTech, virtual banking, banking as a service, and provide a comprehensive range of financial services.

04 Support Sustainable and Inclusive Growth

Operate business based on ESG principles, increase accessibility for grassroots customers, and connect SMEs to the digital economy.

05 Build Future-Ready Capabilities

Develop efficient risk management to ensure system readiness to comply with PDPA and address cyber risks, building confidence among all customers.

06 Upgrade Core Technology Infrastructure

Improve the core technology infrastructure to be modern, stable, secure, and scalable, in order to accommodate an increased number of users in the future.

07 Transform Culture

Cultivate new ways of working to drive the organization with agility. Employees must have the courage to change, be able to adapt quickly, learn new skills, and have digital literacy. Our goal is to become a model organization.

52 Awards

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



31

INTERNATIONAL AWARDS

1. Best Digital Bank Thailand 2022
2. Best Banking CEO Thailand 2022
3. Most Sustainable Bank Thailand 2022
4. Best Sustainable & Business Solutions Bank
5. Outstanding Banking Service Provider Throughout COVID-19
6. Banking CEO of the Year Thailand 2022
7. Best CSR Bank Thailand 2022
8. Best New Banking Product and Service Thailand 2022
9. Best Banking CEO Thailand 2022
10. Best Social Impact Bank Thailand 2022
11. Most Innovative Banking Initiatives – Thailand 2022
12. Best CEO in Banking – Mr. Payong Srivanich – Thailand 2022
13. Most Innovative Digital Banking Platform
14. Best Digital Transformation Bank
15. Best Social Impact Bank Thailand 2022
16. Best Product of the Year Thailand 2022
17. Most Innovative Retail Bank-Thailand
18. Banking CEO of the Year Thailand 2022
19. Best Bank for Financial Products Thailand 2022
20. Best Bank for Diversity & Inclusion Awards 2022
21. Employee Experience of the Year - Banking
22. Enterprise Innovation Award
23. Organization & Culture - ONE Krungthai
24. Best Sustainability – Linked Bond
25. Best Local Currency Bond Thailand
26. Best Liability Management Thailand
27. Best Deal of the Year Bts Green Bonds
28. Platinum Award – Excellence in Environment, Social and Governance
29. Best Digital Wallet Krungthai Bank ‘Pao Tang’
30. Social Empowerment
31. Asean Asset Class PLCs (Thailand)

21

NATIONAL AWARDS

32. Best Official Account in Finance & Insurance
33. Best THOR Engagement
34. Best Repo Primary Dealer
35. Most Innovative Deal - PTTEP’s Digital Wallet
36. Popular State Bank of Technology and Innovation Award
37. Finalist Best Brand Performance on Social Media - Bank
38. The Best Beautiful Booth Award in Money Expo 2022 Bangkok
39. Cybersecurity Performance Excellence Award
40. Cybersecurity Excellence (Capacity Development)
41. Cybersecurity Excellence (Banking)
42. The Disruptor
43. PromptPay Innovation Award
44. Certificate of membership in the Thai Private Sector Collective Action Coalition Against Corruption
45. Thailand Sustainability Investment (THSI)
46. Sustainability Model Organization Award in the Thai Capital Market for Supporting the Disabled in the Outstanding Category
47. Thailand’s Most Admired Company 2022
48. Leadership Excellence
49. Marketing Excellence
50. Product/Service Excellence
51. SMEs Excellence Awards
52. Most Innovative Brand

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Financial Highlights

Total Assets

3,592,419
million baht

3,556,744
million baht



Net Profit (Equity Holders of the Bank)

33,698
million baht

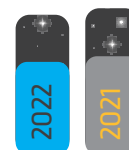
21,588
million baht



Total capital ratio

19.80%

20.12%



Consolidated financial statements (Unit : million baht)

	2022	2021	2020	2019	2018
Financial Status					
Total Assets	3,592,419	3,556,744	3,327,780	3,012,216	2,739,203
Loans (Less Deferred Revenue)	2,592,838	2,628,963	2,334,842	2,089,873	2,024,205
Total Deposits	2,590,236	2,614,747	2,463,225	2,155,865	2,039,602
Total Liabilities	3,199,847	3,182,633	2,972,717	2,663,890	2,425,062
Total Equity (Equity Holders of the Bank)	376,305	360,052	343,466	338,287	305,875
Operating Performance					
Interest income	113,475	104,832	112,837	122,971	119,770
Interest expense	23,070	21,460	24,494	34,655	36,081
Net Interest Income	90,405	83,372	88,343	88,316	83,689
Non-Interest Income	34,986	32,414	33,905	37,342	33,532
Other Operating Expense	54,770	52,731	53,465	62,474	53,088
Pre-provision profit	70,621	63,055	68,783	63,184	64,133
Less Expected credit losses/Impairment losses of loans and debt securities	24,338	32,524	44,903	23,814	26,192
Less Income tax expenses	9,077	5,975	4,441	7,232	6,852
Net Profit	37,206	24,556	19,439	32,138	31,089
Net Profit (Equity Holders of the Bank)	33,698	21,588	16,732	29,284	28,491
Financial Ratios (%)					
Return on Average Assets (Equity Holders of the Bank)	0.94	0.63	0.53	1.02	1.02
Return on Average Equity (Equity Holders of the Bank)	9.15	6.14	4.91	9.09	9.60
Net Interest Margin (NIM)	2.60	2.49	2.91	3.22	3.13
Cost to income ratio	43.68	45.54	43.73	49.72	45.29
Gross NPL ratio	3.26	3.50	3.81	4.33	4.53
Coverage ratio	179.7	168.8	147.3	131.8	125.7
Tier 1 capital ratio	16.69	16.86	15.79	15.24	14.47
Total capital ratio	19.80	20.12	19.11	19.01	18.22
Share Information					
Book Value per Share (Equity Holders of the Bank) (baht)	26.91	25.75	24.57	24.20	21.88
Earnings Per Share (EPS) (baht)	2.41	1.54	1.20	2.09	2.04
Dividend per share (common stock)	N/A	0.418	0.275	0.753	0.718

Message from the Chairman



The year 2022 saw Thailand struggling with limited economic recovery following the ongoing impact of the COVID-19 pandemic and the volatility of the global economy, particularly due to the conflict between Russia and Ukraine. This conflict has led to supply chain disruptions, increased commodity and energy prices, resulting in inflation and a surge in production costs. As a result, central banks of major economies have tightened their financial policies. These factors have affected the adaptability of Thailand's economy, resulting in delayed and uneven recovery across different sectors and industries, creating a new "K-shaped" recovery.

In view of the country's fragile economic structure, persistent inequalities of income and access to financing, and changes in consumer behavior and regulations, we continue to emphasize creating sustainable growth by conducting business in a way that considers the environmental, social and governance (ESG) impacts and incorporating sustainable development goals (SDGs) into our business. This is part of fulfilling our "Growing Together for SUSTAINABILITY" vision. In addition, we are keen to enhance the quality of life and continue helping all customers, especially the vulnerable, through targeted assistance measures to ensure that our customers receive the help they need in a timely manner and suffer minimal impact. Moreover, we help empower Thai businesses to embrace changes and adapt to the digital economy, so that they can withstand challenges, enhance competitiveness as well as ensure strong and sustainable growth.

Throughout the past year, we have been carrying on our mission to help individual customers and businesses adversely affected by the COVID-19. Together with the government, we have accelerated the development of the Thailand open digital platform, which has been instrumental in delivering financial assistance through programs aimed at maintaining domestic consumption. Such programs include the "Khon La Khrueng" (Let's go halves) scheme, assistance schemes for welfare cardholders and those who need special assistance, and subsidy schemes to stimulate domestic tourism, such as the "Rao Tiew Duay Kan" (We travel together) and "Tour Tiew Thai" (Thailand's tour packages) schemes. By delivering these schemes, we have proven our capacity to be one of the mechanisms that drive the country's economy and improve the inclusivity, equality, and transparency of access to government's services and assistance. At the same time, we are supporting Thailand in its endeavor to become a cashless society. These efforts help the Thai economy move forward steadily and sustainably.

With strong determination and resolution to conduct business with responsibility and good governance, we have made solid and tangible progress in fostering a zero-tolerance culture. We have gained public trust due to the implementation of the "Three Lines of Defense" model, which has strengthened our

management of all types of risks, including credit, operational, reputational, and cyber risks. Moreover, we have been enhancing our earning abilities, ensuring good asset quality management and return on equity (ROE) to shareholders, utilizing our full potential to compete with D-SIB peers, new challenger banks, and non-banks, and optimizing our cost-to-income structure. As a result of these achievements, Krungthai Bank received 52 awards from leading local and global organizations in 2022. Notable ones included the Platinum Award from "The Asset ESG Corporate Awards 2021" hosted by The Asset magazine; ASEAN Asset Class Award from the ASEAN Corporate Governance Scorecard assessment conducted by ASEAN Capital Markets Forum (ACMF); "Best Social Impact Bank Thailand 2022" from CFI magazine; "Most Innovative Retail Bank - Thailand" from International Finance; "International Innovation Award 2022" from Enterprise Asia; and Leadership Excellence, Product/Service Excellence, Marketing Excellence, and SMEs Excellence Awards at the "Thailand Corporate Excellence Awards 2022" hosted by Thailand Management Association (TMA).

In 2023, we will remain committed to running our business with a focus on achieving "Accelerating Sustainable Value Creation". We will consider environmental, social, and governance factors in our business decisions and operations, while also focusing on generating income and added value from our established traditional banking businesses and subsidiaries, as well as the platforms we have already built such as Krungthai NEXT, Paotang, Tung-Ngern, and Krungthai Business. Moreover, we will accelerate the implementation of necessary changes, such as incorporating ESG frameworks and cyber risk into our risk management system, enhancing our core-banking system, improving the efficiency and strength of our cloud architecture, minimizing paper use through process improvement, developing streamlined data architecture to accelerate process digitalization, and expanding our banking business into new models such as virtual banking, WealthTech, and banking as a service. These efforts will lead us to steady growth across all areas and help achieve sustainable banking, which will ensure the sustainable growth of our Bank while also driving the growth of Thailand and society.

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



Mr. Krisada Chinavicharana
Chairman of the Board of Directors

Message from the President



Throughout 2022, the Thai economy faced significant uncertainties in its recovery due to various factors, including the COVID-19 pandemic, the Russo-Ukrainian War, a global economic slowdown, high inflation, reduced liquidity in capital markets, rising financing costs resulting from central bank interest rate hikes, and an uneven K-shaped recovery. These factors have impacted the banking industry and the operations of commercial banks in various dimensions, including credit growth, financial cost management, risk management related to the NPL cliff, assistance to vulnerable debtors, and maintaining the balance of provision for expected credit losses.

Given the aforementioned conditions and challenges, we are being cautious in our business operations, closely managing asset quality, and maintaining a high level of coverage ratio and strong capital level. Additionally, we are prepared to assist customers in all segments in adapting to economic changes by providing targeted solutions and assistance. As a result, Krungthai Bank, along with its subsidiaries, reported a consolidated net profit attributable to equity holders of the Bank of 33,698 million Baht, representing a significant increase of 56.1% from the previous year. This was primarily due to an increase in total operating income from higher net interest income as a result of the growth of quality loans, increased interest rates, net fee income, and other continuously growing operating income, in conjunction with efficient expense management.

Furthermore, we continue to prioritize the establishment of our five key ecosystems: government agencies, payments, healthcare and wellness, education, and mass transit. We are committed to creating new innovations that connect these ecosystems to meet our customers' daily needs and provide financial services that accurately and effectively address their demands.

We are committed to accelerating the development of financial technology and innovation to meet the ever-evolving needs of our customers through our Thailand Open Digital Platform, which features partners from both the public and private sectors. Simultaneously, we are integrating online and offline service channels. These efforts led to an increase in the number of users across all platforms. As of the end of 2022, we recorded over 40 million users for Paotang, while Krungthai NEXT, Krungthai Connnext, and Tung-Ngern had 16 million, 18 million, and 1.7 million users respectively. This places Krungthai Bank at the forefront of the digital banking landscape and establishes it as one of the largest digital platform service providers in Thailand.

In 2023, the Thai economy is expected to recover, with tourism and service industries being the main driving forces, supported by domestic consumption and government stimulus measures. However, there are several risk factors to be mindful

of, such as persistently high energy prices, potentially increasing geopolitical tensions, a global economic slowdown trend due to tight financial conditions following interest rate hikes, cost pressures from rising electricity prices, wages, and material costs, as well as the transition to ESG principle-based business operations. These factors can be viewed as both crises and opportunities and will continue to pose challenges to the Thai economy, which is recovering rather unevenly.

It is imperative that the banking sector accelerates its adaptation to the new banking landscape, which is constantly experiencing abrupt, radical changes due to the emergence of new innovations and technologies that disrupt how people live and how businesses across all industries are conducted. The boundary between banks and non-banks is progressively becoming blurred. However, regulators and public expectations still focus on the banking industry. Another factor is the new financial landscape outlined by the Bank of Thailand that emphasizes the "3 Opens": open infrastructure, open data, and open competition, which leads to the emergence of new players, particularly non-banks such as digital lenders, digital payment service providers, and virtual banks, in the market.

To respond to the changes and challenges that affect our business and prepare for new business opportunities in the future, we are moving forward with the concept of "Accelerating Sustainable Value Creation" in 2023. We have established pathways to reach our common goal over the next five years, with three main objectives for our operations:

1. Strengthening and modernizing the foundation and structure of traditional banking
2. Accelerating growth by building upon and leveraging our existing resources to their full potential
3. Establishing new business models to meet the needs of our partners and allies who are transitioning to the digital economy, so that we can continuously generate satisfactory income for our shareholders in a sustainable way.

We will continue to implement the two-banking-models or carrier-speedboat strategy through seven strategic focuses, which are as follows: 1) **Unlock disproportionate value from X2G2X:** We aim to establish deep connections among various customer groups, including B2B, B2C, G2B, and G2C, with the help of platforms that cater to the needs of customers' partners and can penetrate grassroots customers to reduce inequality while maintaining appropriate risk management. 2) **Leverage digital and data to drive efficiency:** We will accelerate the adoption of data and technology to enhance work processes and gain a better understanding of customer needs, enabling more precise responses through various channels, particularly

digital channels. **3) Launch new growth platforms:** We are looking to find novel growth opportunities, including in the areas of WealthTech, virtual banking, banking as a service, and promoting better access to financing and financial services among all groups of people. **4) Support sustainable and inclusive growth:** We are going to operate our business based on ESG principles, increase accessibility for grassroots customers, connect SMEs to the digital economy, and try to capture the opportunities arising from the new S-curve industries. **5) Build future-ready capabilities:** This includes developing efficient risk management to ensure system readiness to comply with PDPA and address cyber risks in order to build confidence among all customers, leveraging data analytics to better understand customer needs, making use of digital marketing and taking the personalized banking approach to offer personalized services through various channels, and enhancing the ability to compete of companies within Krungthai Bank Group. **6. Upgrade core technology infrastructure:** We will improve our core technology infrastructure to be modern, stable, secure, and scalable, in order to accommodate an increased number of users in the future. **7) Transform culture:** We aim to cultivate new ways of working to drive the organization with agility. Employees must have the courage to change, be able to adapt quickly, and work with flexibility. We will help our employees acquire new skills and digital literacy. Our goals are to attract and retain good and competent employees and to make Krungthai a model organization that all our employees are proud of. We will build work environments that appeal to high-potential innovators who are global citizens and can work from anywhere in the world thanks to current and future technology.

Lastly, we would like to thank all of our shareholders for believing in us and supporting us in achieving our mission, which is to empower Thai individuals and businesses so that they can have a better life. This mission is a part of our pursuit of the vision of "Growing Together for SUSTAINABILITY". We would also like to thank our employees for their dedication and determination to change, adapt, and develop over the past few years in order to fulfill our mission. We firmly believe that we are ready to step up and be the leader of the Thai commercial banking scene that can effectively respond to the demands of all stakeholders. We will do our best to ensure that we operate our business with environmental, social, and governance responsibility, while also opening up new doors of opportunity for Thai individuals and businesses. We will strive to make their lives better in an equal and inclusive manner with the help of Thailand open digital platforms. In addition, we will also support high-potential and new S-curve industries. All of these efforts will contribute to our goal of sustainable value creation.



Mr. Payong Srivanich
President

Vision and Mission



Vision

Growing
Together for
SUSTAINABILITY

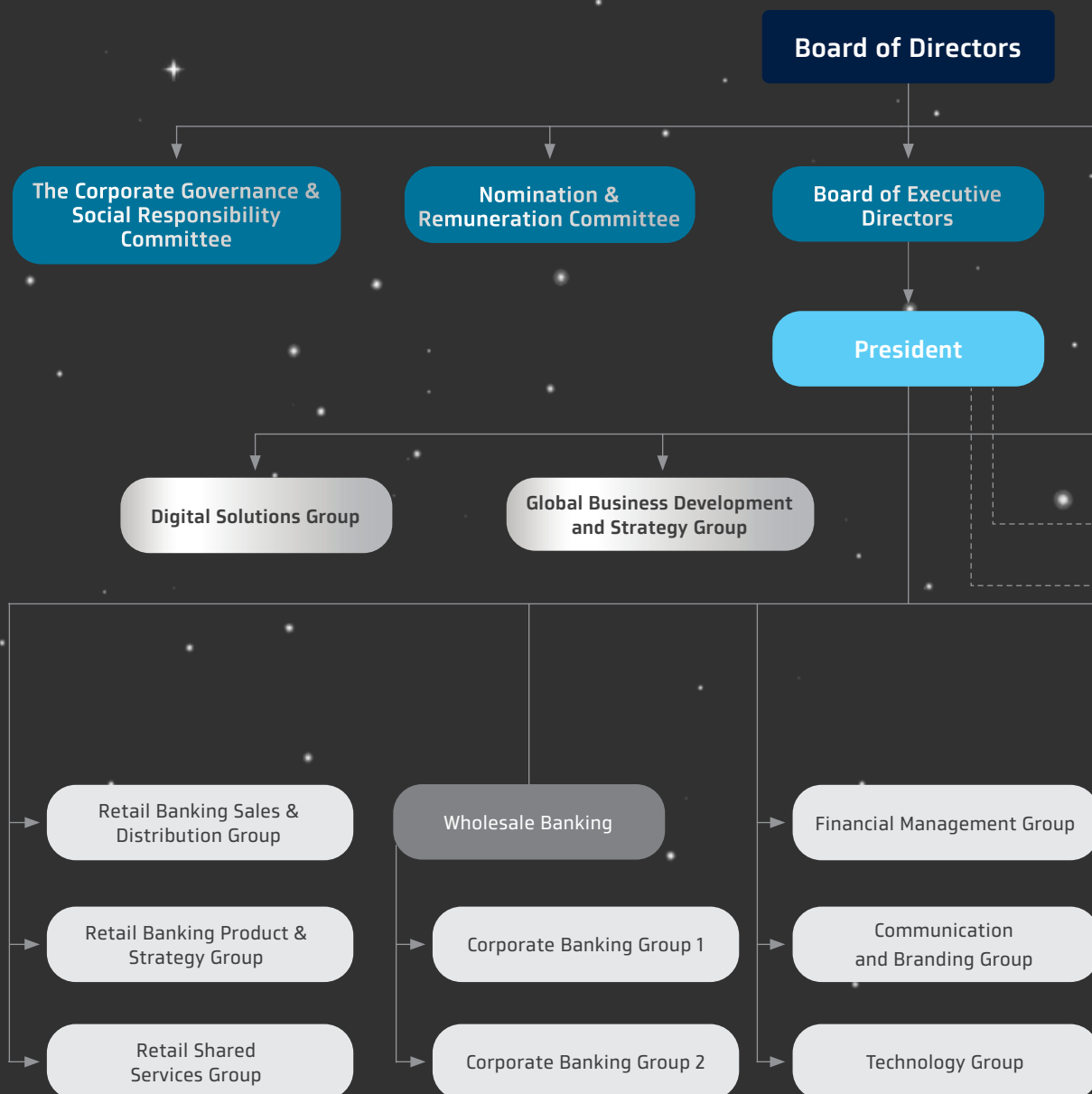


Mission

Empowering
BETTER LIFE
for all Thais

Organization Chart

As at December 31, 2022



Krungthai Group

Credit-Related Business



KTB Leasing Co., Ltd.



Krungthai Mizuho Leasing Co., Ltd.



Krungthai Card Pcl.



KTC NANO Co., Ltd.

Payment Service under Supervision



PREPAID
KTC PREPAID Co., Ltd.



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



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



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

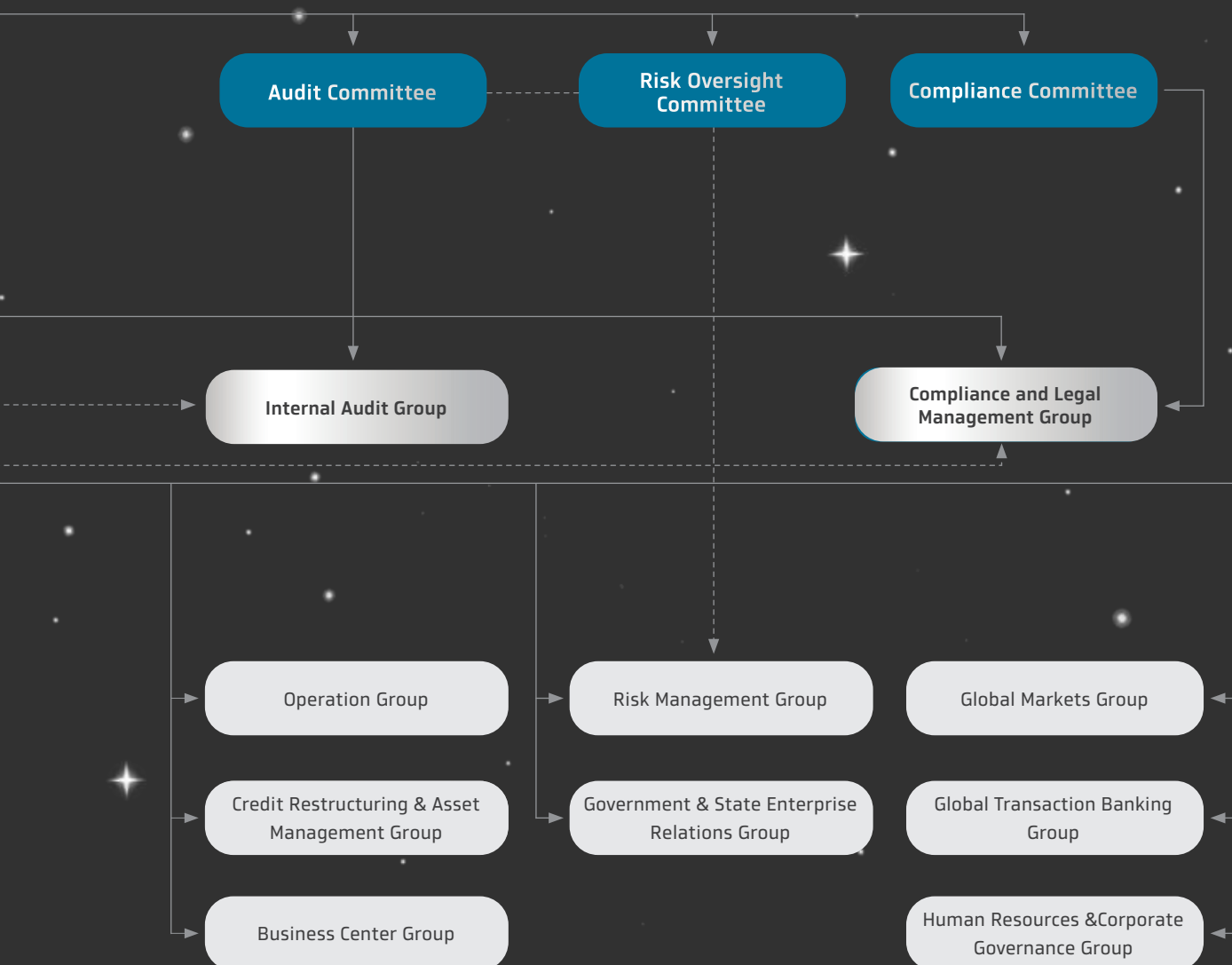


PICO
สมุทรปราการ
KTC Pico (Samut Prakan) Co., Ltd.



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

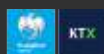
*Remarks: 1) Krungthai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd. from January 6, 2022 onwards.
2) Krungthai Zmco Securities Co., Ltd. changed its name to Krungthai XSpring Securities Co., Ltd. from April 4, 2022 onwards.



Capital Market Business

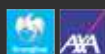


Krungthai Asset Management Pcl.



Krungthai XSpring Securities Co., Ltd.

Insurance Business



Krungthai-AXA Life Insurance Pcl.



Krungthai Panich Insurance Pcl.

Support Business



KTB General Services and Security Co., Ltd.



Krungthai Law Co., Ltd.



KTB Computer Services Co., Ltd.



Infinitas by Krungthai Co., Ltd.



Arise by Infinitas Co., Ltd.

Holding Company



KTB Advisory Co., Ltd.

The Board of Directors

As at December 31, 2022



01 **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 Nomination
and Remuneration Committee
Member of the Compliance Committee
Member of the Risk Oversight Committee

05 Mr. Payong Srivanich

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



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The Board of Directors

As at December 31, 2022

06 Prof.Dr. Kittipong Kittayarak

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

07 Mr. Teerapong Wongsiwawilas

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

08 General Tienchai Rubporn

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

09 Mr. Poonnis Sakuntanaga

Director
Executive Director
Member of the Risk Oversight Committee



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- 10 **Mr. Lavaron Sangsnit**
Director
Executive Director
Member of the Nomination
and Remuneration Committee

- 11 **Dr. Kulaya Tantitemit**
Director
Member of the Risk Oversight Committee
Member of the Corporate Governance
and Social Responsibility Committee
(resigned on January 1, 2023)

- 12 **Ms. Jiraphon Kawswat**
Director
Independent Director
Member of the Audit Committee
Member of the Corporate Governance
and Social Responsibility Committee

- 13 **Mr. Chamroen Phothiyod**
Director
Member of the the Risk Oversight Committee
Member of the Corporate Governance
and Social Responsibility Committee
(appointed on January 11, 2023)



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The Executive Officers

As at December 31, 2022



01 **Mr. Payong Srivanich**
President

02 Ms. Praralee Ratanaprasartporn

Senior Executive Vice President
Group Head - Digital Solutions Group

03 Mr. Weerapong Suppasedsak

Senior Executive Vice President
Group Head - Business Center Group

04 Mr. Suratun Kongton

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

05 Mr. Rawin Boonyanusasna

Senior Executive Vice President
Group Head - Global Markets Group



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The Executive Officers

As at December 31, 2022

06 **Mr. Ekachai Techawiriyakul**
Senior Executive Vice President
Group Head – Risk Management Group

07 **Ms. Saranya Vejaku**
Senior Executive Vice President
Group Head - Financial Management Group

08 **Mr. Santi Parivisutt**
Senior Executive Vice President
Group Head – Operation Group

09 **Mr. Suppawat Wadhanapatee**
Senior Executive Vice President
Group Head - Human Resources
and Corporate Governance Group



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- 10 **Mr. Tawatchai Cheevanon**
Senior Executive Vice President
Group Head - Global Transaction Banking Group
Acting Group Head - Technology Group

- 11 **Mr. Pongsit Chaichatpornasuk**
Senior Executive Vice President
Group Head - Compliance
and Legal Management Group

- 12 **Mr. Kittipat Peantham**
Senior Executive Vice President
Group Head - Government & State Enterprise
Relations Group

- 13 **Mr. Chanchai Sinsuparatn**
Senior Executive Vice President
Group Head - Retail Shared Services Group

- 14 **Mr. Panabhand Hankijjakul**
Senior Executive Vice President
Group Head - Internal Audit Group



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The Executive Officers

As at December 31, 2022

15 Mr. Chalerm Pradidarecheep

Senior Executive Vice President
Group Head - Retail Banking Sales
and Distribution Group

16 Ms. Suwanna Anantanond

First Executive Vice President Group Head - Credit
Restructuring and Asset Management Group

17 Mr. Krit Chamapisit

First Executive Vice President
Group Head - Communication
and Branding Group

18 Mr. Thanakorn Karnjananut

First Executive Vice President
Group Head - Global Business Development
and Strategy Group

19 Mr. Rungruang Sukkirdkijpiboon

Advisor to the President,
Acting Group Head - Retail Banking Product &
Strategy Group



Part 1 Business Operations and Performance

1. Structure and Operations of Financial Business Group

1.1 Policy and Business Overview

1.1.1 Vision and Mission

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

Overview of the Bank's Operation in 2022

The overall Thai economy in 2022 still faced high uncertainty about economic recovery from the COVID-19 situation, including challenges from various factors that affected the banking business, such as the Russo-Ukrainian War, global economic slowdown, high inflation rate, decrease in liquidity in money market and capital market, rising financial costs from interest rate hikes by central banks, relaxation of economic stimulus measures as well as the recovery of the Thai economy in the form of New K-shaped Economy or the uneven recovery in each industry, etc. As a result, the Bank had to adjust to keep up with the situation and to cope with the rapid and violent changes that occurred under such uncertain circumstances. In particular, the Bank has placed great importance on conducting business with prudence, closely managing asset quality and maintaining a high level of coverage ratio. The Bank is ready to assist all customers, improve the quality of life of Thai people and support sustainable growth as well as striving to drive towards “Banking for Sustainability”.

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

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

Due to environmental conditions and challenges in business operations, for the year 2022, Krungthai Bank continues to focus on driving business under the 2-Banking models strategy - carrier and speedboat - in order to expand the Bank's growth while operating business by attaching to the 5 Execution Pillars action plan under the concept of “Courage to Change”. The key emphasis has been placed on the implementation of the aforementioned action plan to be deeper, faster, and more suitable for the current situation in terms of sustaining the core growth of the existing business to attain the continuous and efficient growth, initiating new business models, 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). This includes working together and coordinating business operations both in the Bank and companies within the Bank's business group in the form of One Krungthai. On the other hand, the Bank is ready to openly cooperate with all alliances, both in public and private sectors, to develop products and services in the terms of “Total Solutions” to cover all activities in the lives of customers and precisely meet the needs of customers with the aim of elevating a better life to all Thai thoroughly and sustainably. Eventually, this will boost up the Bank's competitiveness to be ahead of its competitors to create sustainable revenue growth and returns in the future (Krungthai Sustainability).

In order for Krungthai Bank to 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, its emphasis still continue with 5 ecosystems, which are its main business targets. In particular, the Bank has carried out various schemes and stressed on innovation that connects the Bank's 5 target ecosystems. For **Government Agencies** include the Civil Court's online shopping division service, Customs Trader Portal, Digital Lottery and e-GP Transformation for Thailand's Future project. **Payment** ecosystem covers the Krungthai NEXT application, PaoTang Pay wallet, Digital Bonds via Pao Tang application, Krungthai Gold Wallet, Krungthai Business application and using PointPay instead of cash at stores in Thung Ngern application. The **Healthcare and Wellness** ecosystem is illustrated with a Health Wallet and Yaphrom application. **Educational Institutions and Students** includes supporting the operation of the Student Loan Fund and KMITL Uapp. Additionally, **Transportation (Mass Transit)** includes Krungthai Tranxiti Card (debit card) and toll payment system project with EMV Contactless technology. The Bank recognizes these 5 customer segments as its strengths that are required to uphold and to link related services with other ecosystems in order to meet the daily needs of customers, as well as allowing the Bank to expand its business through offering various financial services appropriately and truly responding to all requirements.

The key products and services of the 5 target ecosystems in 2022 are elaborated below.

1. Government

- **Civil Court's Online Shopping Division Service:** The Bank cooperates with the Office Of The Judiciary to develop an electronic filing system (e-Filing) to increase channels for filing complaints and access to the justice process more conveniently. This is to enhance the service to the public to be more comprehensive and faster. It is an extension of the e-Filing system in filing lawsuits for online purchase consumers, supporting complaint filing from victims of online fraud across the country. For the first time, citizens can file a complaint through the website free of charge, without a lawyer and without court appearance. A lawsuit can also be filed 24 hours a day.

- **Customs Trader Portal:** The Bank cooperates with the Customs Department in further developing the "Online Visitor Registration System via Customs Trader Portal" to expand its services to support importers and exporters and renew customs brokers of juristic persons registered with the Department of Business Development. The Bank has introduced an electronic identity verification system (e-KYC) that allows juristic person entrepreneurs to conveniently verify their identity through "Pao Tang" application. This is the first time in Thailand that a juristic person can verify their identity electronically with data linkage technology with the Department of Business Development to verify the accuracy of documents and juristic person's information without having to use the registration certificate documents. It saves time and costs for applying for a certificate with a validity period, reduces document preparation and keeps user's personal information more secure. The Customs Department has opened

this registration system for the first time in 2021 to support Thai importer-exporter registration, and the renewal of customs brokers for individual and shipping agents. Moreover, on July 1, 2022, a registration service for customs brokers for individual was opened.

Moreover, Krungthai Bank has a plan with the Customs Department to develop 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 and connect transactions on digital platforms by combining the clearance service in one place on the Customs Clearing House such as comprehensive tax and fee payment service, import declaration status tracking and digital evidence collection.

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

The Bank collaborated with the Public Debt Management Office to develop SBM e-wallet on Pao Tang mobile application to support Thailand's first digital bond trading. In 2022, the Bank has jointly offered various savings bonds through the SBM e-wallet as follows:

- "Aom Perm Suk" (Happy Savings) savings bonds, worth 10 billion Baht, the 5-year and 10-year multiple-step-up bonds, offering annual interest of 2.90 percent and 3.60 percent respectively. The minimum investment is from 100 Baht and subject to a maximum investment of 10 million Baht per individual. There are investors from the age of 15-92 living in all provinces across the country, divided into 44% in Bangkok and 56% in other provinces. The bonds were snapped up in around 40 minutes.
- "Suk Jai Hai Aom" (Happy Saver) savings bonds, worth 15 billion Baht, the 3-year maturity period, which carry a fixed interest rate of 2.30% per annum, and with the 7-year maturity period, which carry a fixed interest rate of 3% per annum. The amount of investment ranges from 100 Baht to 20 million Baht per individual. The Bank and the Public Debt Management Office succeeded in selling the "Suk Jai Hai Aom" savings bonds, which is the highest amount offered since the launching of SBM Wallet. The public and investors gave a good response from the first day of subscription on December 7, 2022. They were snapped up in the morning of December 9, 2022. The investors' age is diverse between 15-90 years old, divided into the age of 15-40 23.05% and the age of 41-60 49.73% and the age of 61 and over 27.22%. The investors are from all provinces across the country, divided into Bangkok 30% and other provinces 70%.

The savings bonds subscription offered through the digital platforms enable all groups of people from all regions to have a chance to access government savings bond investments.

It distributed the assessing opportunity regarding the savings bond investments to retail investors across the country as well as reduced disparities in access to savings and investment products, and also promoted comprehensive and sustainable savings to people in all sectors. During the past 2 years, PDMO has offered digital savings bonds via the SBM Wallet in a total of more than 55,200 million Baht, to investors of all age groups scattered throughout the country. Investors can trade bonds in the SBM e-wallet, check bond prices, get paid on the sale, check bond trading history, request a refund of withholding tax, and check the status of the tax refund by themselves via mobile phones as well as integrating savings bonds investment portfolios sold through dealers to display on the SBM Wallet, where investors can know the overview of their investments and all savings bonds in one place.

- **Digital Lottery:** The Bank cooperates with the Government Lottery Office in developing a platform for selling lottery via the government applications, namely “Thung Ngern” and “Pao Tang”, which use the network linked in the Ministry of Finance’s Blockchain project. Dealers or pre-booked retailers will register as a Thung Ngern store and the general public can buy a digital lottery on the Pao Tang application. In addition, the Bank has developed additional functions, for example, an option for a buyer to purchase from a shop owned by people with disabilities and an option for a retailer to lower the lottery price etc. In this regard, selling lottery tickets through the platform allows buyers to purchase a lottery for 80 Baht from a convenient and reliable channel, with more lotteries to choose from. In case of winning, the buyer can receive the money through the application immediately. Retailers, on the other hand, will benefit from being listed on a platform where there is a large number of buyers without the cost of peddling. Eventually, the retailers will have more time to sell the lotteries which helps promote careers and increase income for retailers.

The sale of digital lottery tickets for the June 16, 2022 draw, in a total of 5.2 million tickets that have been available since 2 June 2022, were snapped up in 4.5 days through the purchase of more than 1.2 million people and more than 10,500 lottery vendors participating in the project. The Government Lottery Office aims to sell about 20 million 80-Baht lottery tickets by 2022, both through the digital platform and more than 1,000 lottery ticketing points across the country in order for people to have more options to access the 80-Baht lottery.

- **The e-GP Transformation for Thailand’s Future Project:** The Bank collaborated with the Comptroller General’s Department to use blockchain technology to enhance government procurement efficiency and increase transparency and security of bidding data storage. Smart Contract technology is used to control and strengthen the security system to ensure that no one can access the bidding information before the end of the bidding period. Besides, the Bank has introduced an electronic identity verification system (e-KYC) via the “Pao Tang” application to help verify the identity of government traders conveniently and swiftly, and reduce costs for entrepreneurs in the process of registering as a government trader.

The e-GP Transformation for Thailand’s Future project will elevate more than 300,000 SMEs that are government traders to have more opportunities to access banking financing by inputting information stating as being a contractual-party entrepreneurs who receive government work into the central standard system, namely Smart Financial and Payment Infrastructure (“SFPI”), or currently known as “PromptBiz”. All digital trade transactions are supported by linking trade and payment information of businesses with information on financial service providers and the government’s tax system, and increasing entrepreneurs’ access to funding through Digital Supply Chain Finance.

- **Domestic Travel Fee Collection Service for Foreign Tourists:** The Bank and the Office of the Permanent Secretary, Ministry of Tourism and Sports have signed a Memorandum of Understanding (MOU) to link payment services via the Bank’s Krungthai Corporate Online system with the domestic travel fee collection system for foreign tourists of the Office of the Permanent Secretary, Ministry of Tourism and Sports. This is to facilitate entrepreneurs and foreign tourists in making fee payment easy, fast, transparent, and most efficient and to ensure that fees are properly handled and used for the right purpose.

- **Registration for Government Welfare 2022:** The Bank, together with the Ministry of Finance and government agencies, has opened a new round of registration for Government Welfare Card, which can be registered through 7 registration agencies, namely branches of the Bank for Agriculture and Agricultural Cooperatives (BAAC), Government Savings Bank, Krungthai Bank PCL., provincial treasury offices under the Comptroller General’s Department in all 76 provinces across the country, all nationwide 878 district offices under the Ministry of the Interior, all 50 Bangkok district offices and Pattaya City Hall, Pattaya City. Alternatively, the registration can be done online at <https://welfare.mof.go.th>. Registrant qualifications have been updated from the previous conditions that consider income individually to family income. Income per capita must not exceed 100,000 Baht. Additionally, there are new conditions that registrants must not hold a credit card, have credit limits of no more than 1.5 million Baht for housing loan, and no more than 1 million Baht for a vehicle loan etc.

From September 5 to October 31, 2022, there were 22.2 million low-income earners registering for the Government Welfare Card, of which more than 9.6 million people registered via the website and more than 12.6 million people registered through the registration agencies. The top 5 provinces with the highest number of registrants are Nakhon Ratchasima, Ubon Ratchathani, Bangkok, Khon Kaen and Sisaket. In this regard, the proportion of registrants was 55.1 percent female, 44.9 percent male, and most of them are between the ages of 36 and 69, accounting for 62.7 % of all registrants.

The implementation of the registration for Government Welfare program is operated under the Civil Welfare Arrangement for Local Economy and Society Act B.E. 2562 (2019) with the objectives of reducing inequality, elevating and improving the quality of life of the people sustainably. The project will provide welfare to the people by reducing the burden and alleviating the daily expenses of low-income earners.

• **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 has taken part in the implementation during 2022 are as follows:

Measures to Maintain Domestic Consumption, Phase 1 include:

1. **The Khon La Khrueng (Half-Half) co-payment scheme, Phase 4:** The Bank in cooperation with the Ministry of Finance, the Fiscal Policy Office, and the Comptroller General's Department, implemented the Khon La Khrueng (Half-Half) co-payment scheme. The scheme aims to continuously restore the foundation economy, help small entrepreneurs at all levels to generate income from selling goods and services, reduce the burden of people's expenditures and stimulate the economy. The government pays 50% for food, beverages, general goods and service, but not more than 150 Baht per person per day or not more than 1,200 Baht per person throughout the scheme period.

The performance of the scheme in Phase 4, from February 1 to April 30, 2022, showed that more than 1.36 million merchants have registered for the scheme. There are more than 26.2 million cumulative users, with a cumulative total spending of over 61,800 million Baht, divided into money that people pay more than 31,500 million Baht and the government pays more than 30,300 million Baht. For information on spending through the food delivery platforms, there are accumulated spending of approximately 1,800 million Baht, divided into money that people pay more than 950 million Baht and the government jointly paying more than 850 million Baht. More than 94,900 food and beverage operators on food delivery platforms participate in the scheme.

2. **The Scheme to boost the purchasing power of Government Welfare Cardholders, Phase 4:** The Bank in cooperation with the Ministry of Finance and the Comptroller General's Department, implemented the scheme to boost the purchasing power of Government Welfare Cardholders 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 Khon La Khrueng (Half-Half) co-payment scheme, Phase 4, with a maximum limit of 600 Baht per person throughout the scheme period. This helps low-income earners in the current situation where the cost of living tends to increase.

The performance of the scheme in Phase 4 from February 1, to April 30, 2022, showed that there were more than 13.3 million cumulative users, with cumulative spending of more than 7,900 million Baht.

3. **The Scheme to boost the purchasing power of people who need special assistance, Phase 2:** The Bank in cooperation with the Ministry of Finance and the Comptroller General's Department implemented the scheme to 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 Khon La Khrueng (Half-Half) co-payment scheme, Phase 4, with a maximum limit of 600 Baht per person throughout the scheme period. This helps, heals and reduces the burden of expenses for those who need special assistance.

The performance of the scheme in Phase 2 from February 1, to April 30, 2022, showed that there were more than 1.3 million active users, with accumulated spending of more than 700 million Baht.

Measures to Maintain Domestic Consumption, Phase 2 include:

1. **The Khon La Khrueng (Half-Half) co-payment scheme, Phase 5:** The government pays 50% for food, beverages, general goods and service, but not more than 150 Baht per person per day or not more than 800 Baht per person throughout the scheme period.

The performance of the scheme in Phase 5, from September 1, - October 31, 2022, showed that more than 972,000 merchants have registered for the scheme. There are more than 24 million cumulative users, with a cumulative total spending of over 37,000 million Baht, divided into money that people pay more than 18,900 million Baht and the government pays more than 18,100 million Baht.

2. **The Scheme to boost the purchasing power of Government Welfare Cardholders, Phase 5:** The government helps pay for products from low-cost Blue Flag shops and for goods or service fees from stores or service providers that participate in the Khon La Khrueng (Half-Half) co-payment scheme, Phase 5, with a maximum limit of 400 Baht per person throughout the scheme period.

The performance of the scheme in Phase 5 from September 1, - October 31, 2022, showed that there were more than 13.1 million cumulative users, with cumulative spending of more than 5,100 million Baht.

3. **The Scheme to boost the purchasing power of people who need special assistance, Phase 3:** 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 Khon La Khrueng (Half-Half) copayment scheme, Phase 5, with a maximum limit of 400 Baht per person.

The performance of the scheme in Phase 3 from September 1, - October 31, 2022, showed that there were more than 1 million active users, with accumulated spending of more than 390 million Baht.

Measures to Support Domestic Tourism include:

1. **The Rao Tiew Duay Kan (We Travel Together) co-payment scheme, Phase 4:** The Bank in cooperation with the Ministry of Finance and the Tourism Authority of Thailand, implemented the scheme by providing 1.5 million additional rights, totaling 3.5 million rights, and extending the scheme period from May to October 2022. This supports the tourism sector by encouraging people to spend on tourism to help and heal domestic entrepreneurs affected by COVID-19 pandemic. 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 in Phase 4 from July 1, - 31, 2022, showed that there were more than 834,000 registered people. The accumulated spending amount is over 12,200 million Baht, most of which were spending on hotels/accommodations 10,000 million Baht and spending on coupons in the scheme of over 2,000 million Baht.

2. **The Tour Tiew Thai co-payment 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/person to 130,000 people from October 2021 to September 2022.

The performance of the scheme from October 2021 to September, 2022, showed that more than 46,700 people have registered for rights.

Krungthai Bank as a state-owned commercial bank, has served as a pillar of the country's economy in helping customers and people as well as being an important mechanism for driving government measures to help all groups of people to access state assistance and financial services thoroughly, equally and transparently. Thus, the Bank also helps 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 raise income levels, improve the quality of life, create stable welfare for the

people and 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 by enhancing skills, knowledge and understanding of the use of digital technology (Digital Literacy) for the public through the use of "Pao Tang" and "Thung Ngern" applications. This helps reduce inequality in accessing financial services and develop Thai society to move towards a truly cashless society and digital economy as well as helping to sustainably improve the quality of life of Thai people. 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, along with helping drive the Thai economy to move forward sustainability.

2. Payment

- **Krungthai NEXT** The Bank has developed the application under the concept of "Smart Life in One Application" with functionalities that are more than just a bank under international safety standards. It covers payment, investment and international moneytransfer services, aiming to become the full-scale digital banking. Krungthai is the first bank in Thailand to use the Cloud Native system to increase stability and speed and to support the rapidly growing number of users. Krungthai NEXT currently has more than 16 million users.
- **Paotang Pay** The Bank has developed "Paotang Pay" under the concept of "the more you pay, the more you get", covering services such as money transfer, money top-up, payment by scanning QR PromptPay of all banks and merchants around Thailand, including paying bills for utilities, telephone, credit cards, insurance or government fees with various additional privileges. The Bank focuses on developing "Paotang Pay" to be a next level payment service in the form of a super wallet on the Pao Tang application that combines the capabilities of Bank App and e-Wallet together. It is the first wallet to provide an Open Loop service using QR PromptPay as an intermediary, which allows transfers to all banks. Users can freely spend at every store covering every lifestyle. Additionally, in order to truly be able to spend at every shop throughout Thailand, the Bank has also launched a "Play Card, a card that connects to "Paotang Pay" which is a combination of online and offline use. The card can be used to pay for public transport fares, both rail transportation and expressways, in a contactless way, including online shopping. It can also be spent via EDC payment.

"Paotang Pay" has been launched since November 22, 2022, mainly aiming to expand the user base among students and early working ages. There are currently 115,600 accounts downloaded

(data as of December 13, 2022). The Bank is committed to develop "Paotang Pay" to be a super wallet for Thai people that seamlessly connect every spending and to increase the potential of Pao Tang application, which is the digital payment application to be more comprehensive. This is to improve the quality of life and reduce the inequality in accessing fundamentals of the digital economy of Thai people.

- **Digital Bond via Pao Tang Application:** The Bank develops a digital wallet system to support digital bond trading for the first time in Asia with the minimum investment of only 1,000 Baht, which is the lowest initial investment value of bond sales in the country. This is to provide opportunities for retail investors to have access to investment thoroughly, equally and equitably. The trading can be conveniently and quickly done in real time, 24 hours a day. The investors can receive bonds and money instantly as well as viewing bond holding information and trading price in one place through blockchain technology, making it transparent and verifiable.

In 2022, the Bank has partnered with leading companies in each industry to offer digital bonds through a bond trading wallet in the "Pao Tang" application to provide all Thais with access to investment thoroughly and equally. This includes Sansiri PCL, Minor International PCL, CP All PCL, IRPC PCL, SCG Packaging PCL, Gulf Energy Development PCL, Bangchak Corporation PCL and Sri Trang Agro-Industry PCL, with a total offering value of more than 30,000 million Baht.

For example, the result of the digital bond offering is Sansiri Digital Bond with a maturity of 2 years 6 months and fixed interest rate of 3.10% per annum. The total offering value was 2,000 million Baht with a total of 5,859 investors. It was snapped up within 3 minutes and 38 seconds. The proportion of investors is distributed in all provinces across the country, divided into Bangkok at 60.20% and other provinces at 39.80%, and is distributed in all age groups between 20 and 92 years, especially the first jobber group aged between 20 and 29 years, at 13.80%, and the group aged 60 years and over, at up to 15.50%. It means that all groups of people have the opportunity to access investment assets that meet their needs thoroughly and equitably

- **Krungthai Gold Wallet** The Bank has partnered with MTS GOLD under the brand "Mae Thongsuk" 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, starting from opening an account, top-up and money exchange, and buying and selling gold. It meets investment in the new era. Customers can invest in

gold 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. In addition, the Bank has launched a new service "Online Gold Withdrawal" on "Pao Tang" application to increase confidence of investors in comprehensive gold investment. Investors can submit an order to withdraw 99.99% pure gold bars with a minimum amount of only 0.1 ounce to online gold shops every day from 1:00 a.m. - 10:30 p.m. Investors can collect the gold within 3 days from the date of successfully submitting the gold withdrawal order by showing their ID card and transaction slip at the MTS GOLD branch selected in the Gold Wallet. There are 5 branches in total, namely Central Pinklao branch, Central Westgate branch, Krob Phra branch, Wongwian Yai branch and The Old Siam branch.

Furthermore, the Bank has partnered with YLG Bullion International Co., Ltd. (YLG) as the second alliance to launch 99.99% pure gold trading service at real-time world market prices. Investors can trade gold in US dollars through the Gold Wallet on Pao Tang application free of charge. A gold trading account can be opened for free without having to place a security deposit. Gold can be traded with a minimum of 0.1 ounce and a maximum of 700 ounces. Investors can choose to collect the real gold in the form of both coins and bars.

The Bank continues to expand its alliances with gold shops in Krungthai Gold Wallet by cooperating with Aurora Trading Co., Ltd., who is the provider of ARR Gold Trading, as the third alliance to launch gold trading service with ARR Gold Trading through Krungthai Gold Wallet in Pao Tang application.

Since the launch of online gold investment services through the Gold Wallet service on the "Pao Tang" application for the first time in 2021, investors have given a good response, reflected in the volume of account openings and the number of transactions that have been continuously increasing. Currently, there are more than 140,000 Gold Wallet account openings, reflecting investor confidence in products and services that meet their needs.

- **Krungthai Business** The Bank developed Krungthai Business, a financial management application for businesses that meets the needs of all businesses across Thailand. It covers all financial transactions, making transfers, receipts, and payments easy, all in one app. The app has key features, such as a smart assistant system that automatically selects the most suitable money transfer service for your financial limit and business cost-effectiveness, payroll payment

for employees with free life insurance against accidents, and international money transfers 24 hours a day in up to 16 currencies. It is convenient to instantly add users in the system and verify their identity for mobile login by entering a PIN or scanning their face or fingerprint.

- **PointPay instead of paying cash in Thung Ngern Stores:** The Bank, in collaboration with business partners, launched the “Point Pay” scheme to develop digital platforms and channels for accepting payments for goods and services. This enables Thung Ngern merchants to accept payments via digital channels more flexibly, i.e., partners’ points can be used to pay instead of cash. It helps small stores nationwide to be able to sell more products. This project will help boost sales for retailers in various communities, helping merchants to survive and grow during the economic slowdown. The following companies have collaborated with the Bank:
 - AIS: The Bank has partnered with AIS since 2021 to develop the PointPay project, which connects to Thung Ngern stores in the Krungthai Bank’s system that are retail stores, roadside shops, restaurants, and shops in the markets, which are more than 400,000 stores. AIS customers can use accumulated AIS Points to pay for products. It helps reduce daily expenses and encourages shopping to generate revenue at Thung Ngern stores nationwide. At present, there are more than 1.5 million Thung Ngern stores, consisting of 800,000 food and beverage stores, and of these, 400,000 stores participate in the AIS project.
 - KTC: The Bank has cooperated with Krungthai Card PCL to expand the redemption channel for “MAAI by KTC” points through more than 20,000 Thung Ngern stores in retail food and beverage stores throughout Bangkok. It increases the opportunity to sell products to Thung Ngern stores, provides benefits, and increases the variety of uses of accumulated points for MAAI members.
 - Bangchak Corporation PCL: The Bank cooperated with Bangchak to develop a system to allow Bangchak members to use their accumulated points to pay for goods at Thung Ngern stores through the PointPay feature in the Bangchak application. It is the first oil retail business in Thailand that offers members the option of using accumulated points instead of cash at Thung Ngern stores. It also increases the opportunity for retail stores to reach more customers. In the first phase, payments will

be made through more than 400,000 food and beverage shops nationwide.

In the future, Krungthai Bank plans to expand more types of Thung Ngern shops, such as convenience stores, accommodations, hotels, and transportation, to support and cover the needs of customers across the country. It also plans to open the PointPay platform to connect with other services on the Pao Tang app as well, such as trading government bonds, debentures, gold, etc.

3. Health and Wellness

- **Health Wallet: Register for COVID-19 Antigen Test Kit (ATK), 2nd Round, through “Pao Tang” application:** The Bank cooperated with the National Health Security Office and the Pharmacy Council to distribute the Test Kit (ATK) for all people who are at risk according to the guidelines set by the Ministry of Public Health to enable people to self-test for COVID-19. The Antigen Test Kits (ATK) were distributed through more than 2,000 service units registered in the National Health Security system, namely pharmacies, nursing clinics, physical therapy clinics, medical technology units, or other service units, by confirming the service through the Pao Tang app. The results of the ATK distribution from March 1 to April 30, 2022, showed that more than 1.6 million people had received the ATK, totaling more than 4.6 million kits. In this regard, the ATKs are distributed to people registered through the Pao Tang application by more than 1.57 million users and more than 43,000 people receiving the kits in person from the relevant staff.
- **“Yaphrom” Application:** The Bank, in collaboration with Ya Phrom Co., Ltd., launched the “Yaphrom” application, a comprehensive health and wellness platform that aims to make access to medicines and basic consultation easier and more convenient — even for people in far-flung areas. Through the connection between the pharmacies, pharmacists, and patients, this application is convenient and fast, making accessing health fundamentals easier and allowing people to order and receive medicines, including initial consultations from pharmacists, quickly and easily, especially in remote areas. Yaphrom currently has more than 4,000 pharmacy stores in its geolocation mapping. Key partners include pharmacies, pharmaceutical manufacturers, cosmetic companies, and logistics service providers. Nowadays, Yaphrom has developed the service system together with partners, which consists of more than 4,000 pharmacies, pharmaceutical companies, cosmetic companies, and logistics service providers. Krungthai Bank has developed an online payment system on Krungthai Digital Platform under the application to help customers pay instantly for medicines and services. The Bank is also prompted to provide loans for business partners in the form of

digital supply chain financing so that pharmacies have working capital when ordering and purchasing products and medicines for consumers. The product “Partner Loan”, the Bank takes advantage of information from trade and digital payments connecting with the Bank’s digital supply chain financing platform in considering credit granting to small entrepreneurs so as to increase access to credit services.

- **Direct Reimbursement Scheme for Civil Servant Medical Benefits via Health Wallet:** The Bank cooperated with the Comptroller General’s Department, leading hospitals across the country that are under the Ministry of Public Health, the Department of Medical Services, the Ministry of Defense, the Bangkok Metropolitan Administration, and the Ministry of Higher Education and Science participating in the scheme, jointly enhanced public health services for the country’s civil servants. The services include providing the direct reimbursement of civil servants’ medical welfare benefits and the payment for medical expenses through the health wallet on the “Pao Tang” application. Civil servants can check and directly disburse in real time and support those who have the right to reimburse directly for the civil servant medical welfare programs under the Comptroller General’s Department for more than 4.7 million current civil servants, retired civil servants, and their family members nationwide. The average annual direct outpatient disbursement is more than 80 billion Baht. This scheme will be able to facilitate those who have rights and their family members and reduce the queue for transactions at the payment points of the hospitals.

In this regard, the Bank began linking the system with 21 pilot hospitals. On December 7, 2022, the Bank connected the system with 6 pilot hospitals that were ready to provide services in 2022, namely the Faculty of Medicine Vajira Hospital, Navamindradhiraj University, Maharaj Nakorn Chiang Mai Hospital, the National Cancer Institute, Saraburi Hospital, Walailak University Medical Center Hospital, and Somdech Phra Pinklao Hospital. The remaining 15 hospitals will gradually connect to the system by the beginning of 2023. After that, the Bank will progressively connect the system to cover all 1,300 hospitals nationwide participating in the scheme with the Comptroller General’s Department by 2024 and plans to expand the system to be able to accept payments via debit and credit cards.

4. Educational Institutions and Students

- **Student Loan Fund (SLF):** The Bank has been entrusted by the Student Loan Fund to manage student loans since 1996. Krungthai Bank and SLF signed the MOU agreement to procure the Digital Student Loan Fund System (DSL). In an attempt to

facilitate students, educational institutions, and related persons, the Bank has transformed the operation process into a digital platform, starting with the process of applying for loans, considering approvals, and increasing efficiency in data management, importing data and important documents related to borrowing to achieve convenient operations for fund management, borrowers, and guarantors. As a result, this makes the administrative work of the fund faster and more secure.

Until now, the SLF has given loans to more than 6.4 million students, amounting to more than 700,000 million Baht. In 2022, the SLF prepared a credit line for students to borrow no less than 38,000 million Baht for more than 600,000 borrowers to help students affected by the economy have a source of funds to cover tuition and living expenses. However, if they have more needs, the SLF is ready to release more loans by using the liquidity of the fund to support.

The results of lending in 2022 showed that more than 638,000 students had applied for loans, amounting to more than 38,800 million Baht (as of September 20, 2022), in which the Bank participated to support the operation of the SLF in order to achieve the aforementioned goals.

- **Student Loan Fund services via Pao Tang Application:** The Bank, in collaboration with the SLF, developed a new channel that can provide comprehensive services to borrowers, whereby borrowers can check information about the SLF, such as the outstanding loan balance, accumulated interest, due date, latest payment information, and payment for the loan amount, etc., through the Pao Tang application without paying a fee.
- **KMITL Uapp** The Bank, in collaboration with King Mongkut’s Institute of Technology Ladkrabang (KMITL), has developed an application called “KMITL Uapp,” an application that responds to university life and supports all lifestyles of students, lecturers, and personnel at KMITL. The Bank has connected the university’s information system with its electronic payment system with features such as Virtual ID for students to verify their identity or scan a QR Code to check their class attendance, My Calendar to check their own class schedule, immediate notification when teaching schedule changes, and updated news of institutions and faculties. At the same time, it is connected to the “Pao Tang” application to support electronic payments and encourage cashless spending. In addition, the Bank offers comprehensive financial services through the Krungthai Digital Platform to enhance the efficiency of management within the institution, including receiving payment for tuition and fees through the

Bank. It elevates the university to become a smart university and a cashless society. Krungthai Fast Pay (Payment Gateway) service is also provided to increase online payment channels with credit cards, debit cards, and QR Payment, including personnel payroll with special benefits through Krungthai Bank payroll.

5. Transportation (Mass Transit)

- **Krungthai Transit Card debit card** can pay for the fares of buses (BMTA buses and Thai Smile buses), ferries (electric Chao Phraya river ferry operated by E Smart Transport Co., Ltd.), MRT (Blue Line, Purple Line, and Red Line), and expressways (all expressways and Don Mueang tollways except motorways). It helps to make fare payment for every journey easy, convenient, and fast, responding to the government's common ticketing policy and driving the economy towards a cashless society.
- **EMV Contactless (Europay Mastercard and Visa) Toll Fee Payment System:** The Bank cooperates with the Mass Rapid Transit Authority of Thailand (MRTA), Bangkok Expressway and Metro PCL to develop a system for paying tolls with EMV contactless cards as an alternative to paying tolls. Credit cards bearing the contactless symbol from any bank can be used to pay for fares on the MRT's blue and purple lines using the EMV contactless system. Passengers can tap their card on the EMV card reader installed at the tapping point, which is near the previous tapping point, to pay for a fare. It is convenient and a new alternative for passengers. Krungthai Bank is responsible for developing and installing the card reader system and managing the fare payment system. At present, EMV card readers have been installed in 53 stations on the MRT Purple and Blue lines. In the future, the Bank plans to connect to other mass transit systems for the concrete integration of common tickets.

Krungthai Bank has developed digital infrastructure in the context of technology disruption and the modern business world, which has to face all-around challenges along with driving the organization according to a clear strategy to elevate the living of Thai people in all aspects and meet the needs of customers in all dimensions. Currently, the Krungthai NEXT application, which is the Bank's mobile banking, has more than 16 million users. The Pao Tang application, which is the Thailand Open Digital Platform, has more than 40 million users. The "Thung Ngen" application has more than 1.7 million stores. This creates opportunities for all Thai citizens to have thorough access to funding sources, reduce inequality, strengthen the economy at all levels to develop the competitiveness of the country through the Bank's platforms, and push the Bank to become the country's leader in digital banking by being the largest digital platform provider operating in Thailand. At present, there are more than 40 million users through the Bank's digital channels, both in the individual and business sectors. It results in the Bank

having the opportunity to expand its business from the projects through a precise assessment of customer needs from big data, efficient support for business expansion among the Bank's target customers, reducing operating costs, and generating revenue for the Bank by leveraging existing resources and tools to generate more sustainable revenue. Krungthai Bank aims to act as a state commercial bank that is ready to stand with Thai people and support the growth of the economy, society, customers, and the environment in the world of the future with stability and sustainability forever.

The Bank Directions, Plans and Key Projects in 2023 (Forward Looking Information)

The Thai economy in 2023 is likely to gradually recover, supported by domestic consumption, tourism, services, and government policies. However, the Bank still faces challenges continually, namely the uncertainty of the global economy due to negative factors such as the tightening of the central bank's monetary policy due to the continuous high inflation, weak economic growth prospects in China due to the zero COVID policy, geopolitical conflicts, and the increased risk of a public debt crisis for the economies of some weak countries, etc. This includes the changes in consumer behavior, changes in regulations along with the emphasis on sustainable growth (Sustainability). As a result, the Bank has to adjust to keep up with the situation and be able to cope with change that can happen at any time in order to be able to immediately respond to changes in many ways that affect business operations at present and in the future, as well as prepare to create business opportunities for the Bank in the future.

Krungthai Bank will focus on driving business under the concept of "Accelerating Sustainable Value Creation". The Bank will focus on driving business in accordance with the ESG principles - Environment, Society, and Governance-as well as modifying the process of doing business in many aspects to comply with the aforementioned guidelines to support all aspects of Krungthai Bank's business operations as they grow together with society. It will result in long-term value creation by meeting the needs and expectations of all stakeholders and driving the organization toward stable and sustainable growth. In order to cope with the challenges and create sustainability for Krungthai Bank according to the guidelines, the Bank has set a direction that will lead to common goals in the next 5 years by dividing operations into 3 objectives, namely: 1. Strengthening and modernizing the foundation and structure of traditional banking 2. Accelerating growth by building upon and leveraging our existing resources to their full potential 3. Establishing new business models to meet the needs of our partners and allies who are transitioning to the digital economy, so that we can continuously generate satisfactory income for our shareholders in a sustainable way.

For the year 2023, Krungthai Bank continues to highlight on the implementation of the 2-Banking Models, namely, Carrier and Speedboat, by operating through 7 strategic focuses:

1. Unlock disproportionate value from X2G2X

The Bank has accelerated the X2G2X strategy to create in-depth connections among different

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

2. Leverage digital and data to drive efficiency

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

3. Launch new growth platforms

The Bank created new platforms to fully meet the needs of customers, such as Wealth-Tech, Virtual Banking, Banking as a Service, and so on, to increase access to funding sources and financial services at all levels, covering all activities in life, to go beyond banking to meet business needs in the New Normal era, and to support the changing behavior of Thai people.

4. Support sustainable and inclusive growth

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

5. Build future ready capabilities

The Bank has developed an efficient and timely enterprise-level risk management system, for example, accelerating effective risk management in terms of system readiness to support PDPA & cyber-risk to build confidence for all groups of customers, strengthening data analytics in order to understand customer needs (Digital Marketing) and stepping into personalized banking through a variety of channels. It has also elevated the competitiveness of its subsidiaries and coordinated business

operations both within the Bank and among the companies in the Bank's business group in the form of One Krungthai, The Bank is ready to openly cooperate with all groups of partners, both public and private sector, to develop products and services that can meet the needs of customers precisely and can truly meet every need.

6. Upgrade core technology infrastructure

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

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

The Bank must accelerate their adaptation, have a flexible way of working, and adjust new ways of working to have agility, flexibility, resilience, and speed based on the Fail Fast, Learn Fast principle. The Bank also upskilled and reskilled its employees in order to drive business, especially skills for understanding and using digital technology (digital literacy), be able to meet the needs of customers precisely, create a superior customer experience, make customers satisfied, and choose the service of the Bank as their main bank. The Bank also aims to attract and retain good and talented employees to stay with the Bank to support the future business of the Bank, while encouraging it to become a role model organization for all employees to be proud of being part of Krungthai Bank.

Under 7-stars main strategies, the Bank has objectives to become a leader in the commercial banking business in Thailand in the next 5 years through corresponding to the needs of all sectors, focusing on creating opportunities for Thai people, and improving the quality of life in a comprehensive and equitable manner through the Thailand Open Digital Platform. The Bank helps push forward the Thailand 4.0 policy towards a cashless society and jointly supporting potential industries and new target industries, which leads to an emphasis on creating value towards sustainability for Krungthai Bank and all Thai people. Such actions by the Bank will build its competitiveness in digital banking, support the Bank's role as a pillar in driving the economy and enhancing the country's competitiveness. Inclusively, the Bank aspires to build public trust, in line with the vision and missions that focus on improving the well-being and quality of life of the Thai people to support their continued growth stably and sustainably.

1.1.2 Major Changes and Developments

Krungthai Bank was established on 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 holding 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 approved the reduction of its registered capital to decrease the accumulated loss through lessening the par value from formerly Baht 10 to Baht 5.15 per share.

In October 2003, owing to the Financial Institutions Development Fund (FIDF) having the policy to reduce its shareholding in the Bank, the Bank then made a public offering of the 3,000 million shares held by FIDF. The public offering drew extensive attention from investors; therefore, an additional 450 million shares were offered, totaling 3,450 million shares at Baht 8.50 per share. After the public offering, FIDF held 56.4 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 increase, 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 a 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 gave its opinion that "state enterprise" is defined in several laws and the determination of whether an agency is a state enterprise or not depends on each relevant law.

However, since more than 50 percent of the Bank's capital shares are held by the Financial Institutions Development Fund (FIDF), the Bank is still considered as a state commercial bank, in which more than 50 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 a commercial bank and continues to be a listed company in the Stock Exchange of Thailand as previously. Meanwhile, by complying with the Regulation of the Ministry of Finance on the Withdrawal, Receipt, Disbursement, Custody of Funds; and the Delivery of Funds to Treasury, B.E. 2562 (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 agencies.

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

supporting government policies as discussed above. The various agencies have offered their opinion on the legal status of Krungthai Bank according to other laws in the years 2021 to 2022 as follows:

Year 2021

- The Council of State had additional opinions on the status of Krungthai Bank under other laws as follows,

- Krungthai Bank is a public limited company established under the pursuant of the Public Limited Companies Act B.E. 2535 (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 holds 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).

- 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 has considered 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 continues 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.

Year 2022

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

- Public Procurement and Supplies Administration Ruling Committee has defined that Krungthai Bank does not have the status of a state enterprise following the definition of "a State enterprise" in Section 4 of the Public Procurement and Supplies Administration Act, B.E. 2560 (2017), as Krungthai Bank was established under the Public Limited Companies Act B.E. 2535 (1992).

- Also, Krung Thai Bank is currently in discussions with The Office of the Auditor General regarding interpreting the bank's status, as defined by the Organic Act on State Audit B.E. 2561 (2018), to seek further clarification.

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

Income structure of the Bank between 2020-2022

Unit : Million Baht

Financial Statement (consolidated)	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Interest income						
Interbank and money market items	4,338	3.4	2,954	2.5	3,594	2.9
Investments and trading transactions	217	0.2	345	0.3	435	0.4
Investments in debt securities	4,246	3.4	3,437	3.0	4,251	3.5
Loans	104,302	83.2	97,932	84.6	104,307	85.3
Hire purchase and financial leases	111	0.1	104	0.1	184	0.1
Others	261	0.2	60	0.1	66	0.1
Total Interest income	113,475	90.5	104,832	90.6	112,837	92.3
Interest expenses						
Deposit	9,651	7.7	10,302	8.9	13,765	11.3
Interbank and money market items	1,904	1.5	1,607	1.4	1,860	1.5
Contributions to BOT and Deposit Protection Agency	6,443	5.2	6,145	5.3	5,687	4.6
Debt issued and borrowings	4,806	3.8	3,327	2.9	3,080	2.5
Others	266	0.2	79	0.1	102	0.1
Total Interest expenses	23,070	18.4	21,460	18.6	24,494	20.0
Interest income, net	90,405	72.1	83,372	72.0	88,343	72.3
Fees and service income	28,096	22.4	28,310	24.5	27,690	22.7
Fees and service expenses	7,780	6.2	8,288	7.2	7,162	5.9
Fees and service income, net	20,316	16.2	20,022	17.3	20,528	16.8
Gains (losses) on financial instruments measured at fair value through profit or loss	5,233	4.1	3,467	3.0	3,134	2.5
Gains on investments, net	239	0.2	711	0.6	951	0.8
Share of profit from investments accounted for under equity method	1,095	0.9	1,046	0.9	2,060	1.7
Dividend income	352	0.3	379	0.3	376	0.3
Other operating income	7,751	6.2	6,789	5.9	6,856	5.6
Total Non-Interest Income	34,986	27.9	32,414	28.0	33,905	27.7
Total operating income	125,391	100.0	115,786	100.0	122,248	100.0

1.2.2 Core Business Operations

1.2.2.1 Retail Customers

Personal Loan

A housing loan is a loan to purchase land with buildings, buy land with buildings, build a house, or redeem mortgaged land with buildings from other financial institutions or financial organizations for the purpose of living. The Bank has launched a variety of products according to target groups, namely customers who buy housing from leading real estate developers, including customers in special occupations, government officials, and state enterprise employees. The Bank also has loan products related to home loans for consumption with a residence as collateral named "Home for Cash" for customers to use credit to buy consumer goods or to renovate or repair homes and pay life insurance premiums to life insurance companies. In addition, the Bank has supported ESG policies by organizing special sales promotions for Home for Cash loans to pay for expenses related to pollution reduction or energy saving, such as installing a solar rooftop system, installing EV chargers for electric cars, and purchasing NO 5 electrical appliances, etc.

The main products for personal loans are as follows:

(1) Krungthai Thanawat Loan is a revolving loan for customers who have a payroll account with the Bank to use when they need money. Customers can repay the principal as needed. This product is convenient 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. The main customers are personnel of government agencies, state enterprises, and private companies. The objective is to allow customers to spend on necessary things for their lives and to meet their needs. The nature of the loan includes the type of memorandum of agreement for credit that is a welfare loan and the type that does not make a memorandum of agreement that is a welfare loan with the customer's affiliation. Besides, 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) Loans for local and international studies are offered to all groups of students. The Bank developed this product in line with the current education market, which offers English programs for all levels of education. International study loans also cover studies according to the projects of educational institutions participating in the project with the Bank.

(4) Krungthai Home Easy Cash is a loan with a mortgage as collateral. The property must be free from debt and/or any obligations (guarantees). Its purpose is to pay expenses according to the customer's needs or to be used to carry on an occupation, including using it to pay debts with other financial institutions. The target customers are those who have regular income (salary) and customers who earn income from self-employed businesses.

(5) Krungthai Smart Money Loan is a non-collateral loan available to customers with a regular income and self-employed retailers. Its purpose is to pay for consumption or to repay existing debts with other financial institutions. Customers can apply for the loan at any bank branch.

(6) Krungthai Give-5 Loan (Clean Loan) is the non-collateral loan consisting of 5-Plus Multi-Purpose Loan (Term Loan) and Krungthai Thanawat 5-Plus Loan (Revolving Loan) to support private employees who have the payroll account with Krungthai Bank. Customers can apply at any bank branch.

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

(8) Sib Muen Loan is an unsecured term loan (Clean Loan) designed to support Thung Ngern merchants through the Krungthai NEXT application.

(9) Krungthai Jai Pum Loan is an unsecured term loan (Clean Loan) designed to support customers with regular income (salary) and self-employed retailers via the Krungthai NEXT application.

(10) Krungthai PayDe loan is an unsecured term loan (Clean Loan) designed to support customers with regular income (salary) who have a payroll account with Krungthai Bank. The loan service has been available through the Krungthai NEXT application.

The Bank has organized special activities continuously and participated in financial fairs. It has also had measures to assist customers affected by the COVID-19 pandemic, such as step-up reduced installment payments, suspending the principal payment and paying only the interest, changing the type of debt, and measures to assist borrowers affected by the COVID-19 situation (measures for long-term debt relief through refinancing and debt consolidation). The Bank participated in the "United Debt Solving: Debts Must Be Addressed for a New and Sustainable Start" expo, in which customers could register both online and at the event held in Bangkok and in 4 regional areas.

1.2.2.2 Small Business

Small Business Loans

Small Business Loans (sSME) for retail customers with a total sale volume of not more than 100 million Baht per year and a total credit line of not more than 20 million Baht who are new loan customers to gain access to capital resources. This loan also maintains the old customer base and expands credit from the existing customer base, as well as improving products to be in line with the Bank's target customer groups and government policy.

From the previous year, the Bank continued to provide loans to small business owners, such as the Krungthai sSME Smart Shop loan for customers in government projects and entrepreneurs who use the Thung Ngern and Pao Tang applications, and the

Krungthai sSME EEC 4.0 loan in accordance with the government's Thailand 4.0 strategic plan. Both products have prepared sales promotion programs for customers to boost credit. Krungthai sSME Supply Chain Financing Loan was created in order to broaden the customer base by extending loans from Bank customers to Bank customers' partners.

For assistance to small business owners affected by the COVID-19 outbreak, the Bank has financial rehabilitation measures (loan for financial rehabilitation) and asset warehousing to help small business owners recover and resume business.

1.2.2.3 Medium Enterprise Customers

Medium Enterprises Loans

Medium Enterprise Loans are available to customers with a total credit line of more than 20 million Baht but less than 500 million Baht, as well as customers who do not have an establishment in Bangkok or its vicinity and have a credit line in excess of 500 million Baht. The Bank provides services to small and medium enterprises (SMEs), who are crucial to the national economy, covering various business sectors including manufacturing, service, wholesale, retail, agriculture, import and export, and according to the types of business, such as construction business for the government sector, apartment business, tourism business, agro-processing industry, health and medical business, food business, e-commerce business, etc.

Furthermore, the Bank responds to customer needs in accordance with the 3 global business megatrends. They are digital technology (Digital), environmentally friendly business (Green) and innovation of the future world (Innovation) with financial measures to support the adjustment of business operators, financial rehabilitation loan Phase 3, credit line for adjustment, and also promote entrepreneurs and food business customers of the Bank who operate on the basis of sustainability, use environmentally friendly processes, and have a policy to promote society.

Due to the spread of COVID-19, the Bank has continually provided assistance measures to alleviate suffering and reduce financial burdens for customers affected by COVID-19. The Bank has issued special measures to help all groups of customers affected by the epidemic of COVID-19 or those affected by natural disasters to recover strongly and solve the debt sustainably.

In addition, the Bank cooperated with the government sector and other alliances in response to the national strategy to advance economic development with the BCG model, supporting SMEs to access funding sources, increasing productivity, focusing on energy conservation, and reducing greenhouse gasses as well as supporting Thai SMEs towards sustainability by offering green loans to invest in waste treatment in businesses or business loans for conservation of energy and the environment.

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 different industries, namely the agricultural business, construction and property development business, service business and industrial business

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.

For both corporate customer groups, the Bank continues to focus on the following services:

- 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 to facilitate transactions for customers
- 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 (Environment Social and Governance) by taking into account environmental, social, and governance impacts
- Developing processes and strategies to meet the needs of providing the best service for customers' businesses changing in the digital age, including focusing on the use of technology to improve work efficiency
- Continuously developing personnel's potential and adjusting internal work processes with regard to customer-centric to deliver a good experience to customers



In 2022, the Thai economy is likely to continue to recover, positively affecting the tourism business and related businesses. However, there are still many risks from the global economic slowdown, high inflation, and increasing interest rate trends. The Bank, therefore, continues to consider providing assistances to vulnerable customers and complies with the policy of the Bank of Thailand by providing assistance as appropriate for each customer to help customers run their businesses continuously.

Moreover, the Bank has supported the growth of customers who expand their business potential by means of international trade and investment in this region, as well as expanding the Bank's local customer base at overseas through 5 overseas 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 (The Environment Fund by the Ministry of Natural Resources and

Environment), Revolving Loan for Energy Conservation (Ministry of Energy), Innovation for Economy scheme by the National Innovation Agency, SME-Innovation scheme of the National Innovation Agency, Development and Research Loans scheme for SMEs of the National Science and Technology Development Agency (NSTDA), measures to assist SMEs affected by the COVID-19 pandemic, soft loan with low interest to help entrepreneurs from COVID-19 pandemic, soft loan for Thailand tourism recovery, measures for rehabilitation loans and loans for adaptation for entrepreneurs investing in Digital Technology, Green Innovation for sustainability and increase business competitiveness of the BOT, the Asset Warehousing program of the BOT, and the loan guarantee program by the Thai Credit Guarantee Corporation (TCG) to help SMEs that lack collateral can access to loan, etc.

Besides, in order 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 via 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: In 2022, the Bank has developed a completely digital international money transfer service system to enhance the potential of overseas money transfers by adding partners that are of various international standards to provide corporate customers with the name “Krungthai BUSINESS WARP” to make money transfers abroad convenient, fast, and verifiable. In addition, the Bank has cooperated with Trade Platform Partner “Contour” to provide international trade transaction services by using blockchain technology to provide digital letters of credit or L/C services with international service standards at bank branches and Krungthai Corporate Online. Status can be tracked 24 hours a day, and international money transfer services can be made from a Foreign Currency Account (FCD) via online channels.

2. Export Services: To support export entrepreneurs in various sectors, in 2022, there are still some export customers who are still affected by COVID-19 pandemic, such as the suspension

of document delivery and delayed goods from the country’s lockdown, resulting in delays in receiving payments from partners, etc. The Bank has developed products and services that provide loan assistance to support businesses in overcoming the crisis. It also provides services for corporate customers with greater flexibility through Krungthai Trade Online, a digital channel that meets the needs of import and export businesses. Customers have no need to submit documents to the Bank and the service has been developed to cover the issuance of letters of guarantee abroad (International Guarantee and Standby Letter of Credit), including Bank Guarantee for ASEAN Customs Transit System (ACTS) via Krungthai Business system.

3. Import Services: The Bank provides international business services to support a wide range of imports by providing services to support the ever-changing business expansion according to the needs of consumers.

In 2022, 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** In 2022, the Bank will continue to support entrepreneurs as they address key business factors, which is funding access, by participating in the implementation of assistance measures to help customers access funding sources more easily. Customers who buy and sell products with large business partners (Sponsors) under the “Krungthai Digital Supply Chain Financing” project, which considers credit based on data on purchases-sales between customers and Sponsors, have no need of collateral. The Bank has products that focus on SME and microfinance customers,

and this year it has increased the product scope to cover SME, medium, and corporate customers, including providing loans to suppliers who sell products to sponsors participating in the project with the Bank, originally focusing on lending to buyers. As a result, the Bank was able to expand its solutions to cover a full range of business-related supply chains and extend to government projects in which the Bank participates in the operations, such as Pracharat Shops, Chim Shop Chai (Taste-Shop-Spend), Khon La Khreung (Half-Half co-payment), etc.

- **PromptBiz Project - Smart Financial and Payment Infrastructure** Krungthai Bank is the main bank in the pilot group of commercial banks under the PromptBiz project, focusing on supporting a full range of digital trade transactions by linking and exchanging trade and payment information of business sectors through financial service providers and connecting to the tax system. In 2022, significant progress has been made as follows:

- **Track 1 - Trade and Payment:** The Bank has developed the Electronic Invoice Presentment and Payment (EIPP) system to connect with the country's central PromptBiz system and provide services in the management of trade information documents. The Bank has developed it in line with the Krungthai Corporate Portal - Krungthai Business for the Bank's corporate customers, adhered to the principles of operation under the Bank's X2G2X strategy, and focused on building a strong Thailand ecosystem. It is scheduled to start providing service to a group of pilot entrepreneurs at the end of the second quarter of 2023.

- **Track 2 - Digital Supply Chain Finance:** In 2022, the Bank launched the Supplier Financing product, which is a form of lending based on digital trading transaction data via the PromptBiz system. The PromptBiz system is an intermediary for businesses that are sponsors to help their suppliers apply for Supplier Financing from the Bank with competitive loan terms compared to conventional revolving loans. It reduces the risk of credit because the system has the ability to verify Double Financing on the transactions that will be used to provide credit. It enables the Bank to support the business sector to have competitive potential and grow sustainably. This demonstrates the banking sector's commitment to responsible and transparent lending.

- **Krungthai Digital Health Platform Scheme**

In 2022, the Bank continued to focus on the development of the health system with the Krungthai Digital Health Platform Ecosystem, using technology for full integration, enhancing, and upgrading the country's public health services. It gives Thai people equal access to public health services and better health care by linking government activities, such as the National Health Security Office (NHSO), Social Security Office (SSO), the Comptroller General's Department, and other agencies, with the public, hospitals or service facilities, and hospitals' partners through the projects as follows:

- **Antigen Test Kit (ATK) Distribution Scheme via Pao Tang Application:** The Bank has joined forces with the NHSO to distribute free ATKs during the COVID-19 epidemic situation. This is a service expansion to continuously cover access to health rights and a public health system for Thai people who are at risk of COVID-19 infection, starting from March 1, 2022, through September 30, 2022. The Bank has distributed 6.9 million ATKs to more than 2.1 million high-risk people so that they can test themselves for COVID-19 to prevent and control the disease, know quickly, treat quickly, and reduce the spread of COVID-19. People can register for an ATK via the Pao Tang application and complete an assessment form before receiving the ATK. They can be picked up at more than 2,604 NHSO-participating service units nationwide (1 hospital, 110 private clinics, 2 public clinics, 2,490 private pharmacies, and 1 government academic center), where all service units will use the Thung Ngerm application to confirm the distribution of ATKs to the public.

- **Direct Reimbursement of Civil Servants' Medical Welfare Benefits via Health Wallet:** The Bank, in collaboration with the Comptroller General's Department, has upgraded the service for direct reimbursement of civil servant medical welfare and medical payment services via health wallet on the Pao Tang application. Users can check and directly disburse in real time. It connects to more than 1,300 hospital systems across the country through Application Programming Interface (API) for convenience and speed, reducing steps and congestion in receiving services, and optimizing disbursements. It supports people who are entitled to the direct reimbursement system for civil servant medical benefits under the Comptroller General's Department; there are more than 4.7 million people nationwide. Users are able to check their rights and claim their rights for outpatient medical treatment by themselves. It also facilitates by providing notifications and displaying appointment lists for users to know before going to the hospital, which reduces congestion during treatment. In addition, the Bank has developed a payment system that links the data to the reimbursement system directly for medical expenses of the hospitals participating in the project to be able to reimburse expenses of the right for direct reimbursement of medical treatment and pay for the treatment of excess rights easily and continuously, fully integrated with payment services via Mobile Banking and payment by debit and credit cards of all banks, along with alerts and invoice details. Users can check the receipt of medical expenses through the transaction history menu on the Pao Tang app. The Bank has provided full service since December 2022.

At the initial stage, there are 6 pilot hospitals ready to provide services in 2022, namely: 1. Faculty of Medicine, Vajira Hospital, Navamindradhiraj University 2. Somdet Phra Pinklao Hospital 3. Walailak University Medical Center Hospital 4. Maharaj Nakorn Chiang Mai Hospital 5. Saraburi Hospital and 6. National Cancer Institute. It plans to open services at 15 more hospitals

by 2023 and is ready to expand its services to cover more than 1,349 hospitals nationwide.

o **The Bank's Health Platform Extension Project:**

The project is an extension of the "Thai Ruam Jai" project, a COVID-19 vaccination system for hospitals with alternative vaccine quotas in collaboration with private hospitals such as Thonburi Bamrungmuang Hospital that has asked the Bank to develop a platform to reserve vaccines for hospitals, where this platform will be an alternative for the public to be thoroughly vaccinated.

o **Smart Hospital Scheme:** The Bank participated in the alliance with Srisawan Hospital to meet the needs of the hospital in terms of service and system, making appointments for treatment through the hospital website and displaying appointments through the health wallet. Users can choose to receive the service themselves, either through Telemed or hospital channels, by self-checking in at a kiosk and paying for services via a health wallet or EDC machine. Users can receive medicines through the mail or service units of the hospital network. People can also donate to the hospital or various foundations affiliated with the hospital via QR Code or e-Donation. It includes IPAC card service for taking care of hospital personnel entrance-exit and working, paying expenses within the hospital, and withdrawing medical supplies from the hospital, as well as a project to grant credit to hospital partners to increase the liquidity of hospital partners through the Digital Supply Chain project of Krungthai Bank.

o **Self-Payment Kiosk Installation Scheme in the EEC:** The Bank has cooperated with the Chachoengsao Smart City scheme to create a cashless society for people in Chachoengsao and reduce congestion, long queue times, risks, and difficulty in managing cash for the hospital. The pilot hospitals are Phanom Sarakham Hospital and Bang Khla Hospital. It increases convenience and makes access to electronic financial services thoroughly.

o **MD eConnect Scheme:** Krungthai Bank, together with the Medical Council, launched the MD eConnect application to facilitate services to members of the Medical Council. Currently, approximately 70,000 physicians and approximately 16,800 medical students nationwide use the app. The MD eConnect is an application to facilitate physicians and medical students who have time limitations. It makes life easier in just one app: applying and paying fees for issuing an MD card, registering for enrollment and exams, checking scores in the Continuing Medical Education (CME) system, and voting for the Medical Council elections. It also provides a service for updating information from the Medical Council website so that users do not miss important events and information and have an additional channel to contact the Medical Council with a complaint submission service and consultation through the message box service. Meanwhile, Krungthai Bank has a plan to cooperate with the Medical Council to extend MD Digital ID linkage with various medical systems in

order to verify the identity of doctors in a way that is accurate and meets standards to prevent fraud, which can be used to support the issuance of electronic certificates such as digital medical certificates as a supporting document for consideration and disbursement. In this regard, the MD Digital ID is also an important component in increasing public trust in telemedicine services. This enhances the service level, builds a modern, fast, efficient, and accessible health service system, and strengthens the public health system in the country sustainably.

o **Yaphrom Application:** Krungthai Bank cooperated with Ya Phrom Co., Ltd. to launch the "Yaphrom" application, a platform that gathers pharmacies across the country to provide comprehensive health care services and connect patients, pharmacists, and more than 4,000 pharmacies. It increases opportunities to access medicines and consulting, is convenient and fast, and covers remote areas. It supports funding sources through Digital Supply Chain Financing and increases business potential for entrepreneurs.

• **Treasury E-Auction:** Krungthai has cooperated with the Treasury Department in developing E-Auction to meet the needs of and facilitate system users. It also improves service efficiency and develops the management of government agencies into a digital format in accordance with the principles of transparent and auditable competition and security in all transactions via electronic systems. In 2022, the Treasury Department held two e-auctions for state properties, generating more than 100 million baht in revenue for the state, which is regarded as a work that has gained the public's trust and to support the country's economic drive.

• **Mass Transit Related Projects:**

In 2022, the Bank has developed a fare and toll payment system with EMV contactless debit and credit cards for various agencies as follows:

o **Chalong Ratchadham Line, Purple Line (Bang Yai - Tao Pun - Rat Burana) and the Chaloem Ratchamongkhon Line, Blue Line (Lak Song - Tha Phra - Hua Lamphong - Bang Sue):** The Bank, in collaboration with the Mass Rapid Transit Authority of Thailand (MRTA) and Bangkok Expressway and Metro Public Company Limited (BEM), has already opened full service for the general public by accepting payment by credit card from all banks and Krungthai Bank debit cards and will continue to accept payments with debit cards from all banks.

o **Red Line Commuter Train System (Rangsit - Bang Sue - Taling Chan),** in collaboration with the State Railway of Thailand (SRT)

o **Utraphimuk Elevated Tollway (Don Muang tollway),** in collaboration with Don Mueang Tollway Public Company Limited (DMT)

In addition, the Bank has carried out additional projects as follows:

o **M-Flow system:** The Bank, in collaboration with the Department of Highways (DLT), uses technology to read vehicle license plates with RFID systems and collect expressway fees later. Payment can be made via QR Cross Bank, Payment

Gateway, and Direct Debit for passing through Motorway No. 9 (M9), the Eastern Outer Ring Road (Bang Pa-in - Bang Phli), and plans to expand to various routes according to the policy of the Ministry of Transport.

- o **Krungthai TranXit Debit Card**, an EMV contactless card to make all forms of travel-car, boat, rail, and expressway-more convenient with a single card.

- o **EMV contactless Krungthai Visa Debit Card** in collaboration with the Department of Rail Transport (DRT) as a souvenir for attendees of the Asia-Pacific Economic Cooperation (APEC) Conference during November 16-19, 2022.

- **Krungthai Business Scheme**

The Bank has developed Krungthai Business Service into a new digital banking platform with modern technology and a safety system that meets international standards. It can help financial services to better cover and meet the needs of business customers. In 2022, the Bank has continued to focus on the development of new features on the platform, such as the repayment of long-term loans and the issuance of an electronic letter of guarantee. It also increases the convenience of international trade transactions for corporate customers by linking the Krungthai Business services with the Krungthai Trade Online services via Single Sign-On, along with adding more convenience, safety, and speed for outward remittance for corporate customers through the Bank's partner network, and offering a helper to fill out the form and a system to preliminary verify the correctness of the beneficiary's account number to reduce business errors. This is to enhance the financial experience for corporate customers under the concept of Digital-based Transaction Banking. That allows customers to build and expand their businesses through various ecosystems on digital platforms, including supporting the business growth of SME customers by introducing the "SME Smart Life" and "SME Smart Solution" campaigns to make financial management in the customer's business easy and complete in just one app.

- **AIS Point Pay Scheme**

The Bank has partnered with Advanced Info Service PLC or AIS to launch the PointPay project to help small merchants nationwide sell more products. The AIS customers can use their accumulated AIS Points to pay instead of cash at Thung Ngern stores. By the end of the third quarter of 2022, the number of points redeemed via Thung Ngern stores had increased threefold over normal times. Furthermore, it can generate more circulation money for various stores, increasing revenue for the retailers on a continuous and sustainable basis. At present, it has expanded the types of stores that accept AIS Points from food and drink stores to grocery stores to increase customer spending options. The Bank has also expanded the "PointPay" service to other business partners, namely Bangchak Corporation PCL and "MAAI by KTC" Krungthai Card PCL.

- **National Corporate Identification (NCID) System on Joint Sandbox Project**

In mid-2022, the Bank signed a cooperation agreement with AI and Robotics Ventures (ARV) Co. Ltd. to develop the National Corporate Identification (NCID) project to create digital KYC innovations for juristic persons. This is to help juristic persons prepare to sign digital documents and verify the identity, authority, and electronic signature of the authorized signatory with advanced technology. Juristic persons adopting this new process will be able to simplify initiating transactions involving large volumes of signed documents, reduce duplication, and solve the problem of being unable to verify the credibility of the signature and signatory authority.

- **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 conveniently. 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. In the third quarter of 2022, the Bank expanded the registration system to support importers and exporters and the license renewal system for customs brokers for juristic persons. This is the first time in the country that juristic persons can electronically verify their identity. In addition, the Bank has developed financial technologies and innovations to enhance service levels for customers in all business groups, improve the efficiency of importers and exporters to be more streamlined, and facilitate importers and exporters to complete online transactions anywhere. In 2022, it entered the certification process as an intermediary in sharing customs e-Receipt on blockchain between 3 taxation departments in order to reduce paper documents. It meets the needs of people and business groups by operating a comprehensive international trade business through digital systems that seamlessly connect government services.

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 4 main customer groups, namely large corporate and small and medium-sized businesses (SMEs), government agencies and state enterprise customers, financial institutions, and large individual customers. Before offering any 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.

Apart from providing knowledge, advice, and feedback and helping to solve problems for customers, the Bank takes into account the flexibility of using its services, such as hedging against exchange rate risk. The Bank has also added a channel to provide foreign exchange trading services via the internet (Krungthai Smart FX).

Investment banking and debt instrument business product

The Bank provides a variety of investment banking and debt instrument business products 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, namely arranging and underwriting, financial advisor and selling agent via the branch network and electronic system.

In the past, although the economic conditions and interest rates had adjusted rapidly and with high volatility, the funding needs of various sectors still continued, including the liquidity of investors in the debt and equity markets with high volumes. As a result, the value of private sector bond issuance in Thailand increased from the previous year. The Bank was a distributor and an underwriter for both short-term and long-term debt securities of government enterprises and the private sector, as well as real estate investment trusts (REITs), which have been very successful.

Additionally, the Bank uses the Thailand Open Digital Platform through the “Pao Tang” application to continuously develop the bond market for investing in private corporate bonds in a full digital wallet, which enhances the ability to manage private bonds for maximum efficiency for investors as well as reducing investor investment restrictions. In 2022, the Bank has been entrusted to be the underwriter in managing the digital debentures issued via the e-wallet of many leading companies, worth totaling more than 28,000 million Baht.

Depository Receipt Product

The Bank continuously develops financial products and services to meet the needs of customers, both in terms of savings and investment, in a comprehensive way. In 2022, the

Bank issued and offered Depository Receipts (DR) that refer to foreign common stocks as the first bank in Thailand. It foresaw that the issuance of DR could increase investment opportunities abroad through the Thai Stock Exchange. The investment process is not complicated, and the cost is lower than investors’ own trading of foreign securities. In addition, the Bank has cooperated with the Stock Exchange of Thailand to operate as the first issuer of fractional depository receipts for foreign securities so that investors can trade DR at the same time as foreign stock exchanges. However, investing in DR has risks. Investors must study and understand various factors before making investment decisions, such as the volatility of foreign securities prices that the DR refers to, exchange rate risk, liquidity risk of foreign securities, etc.

Currently, the Bank has issued 6 DRs, namely, the DR of Alibaba Group Holding Limited (BABA80), Tencent Holdings Limited (TENCENT80), BYD Company Limited (BYDCOM80), Xiaomi Corporation (XIAOMI80), Apple Inc. (AAPL80X), and Tesla Inc. (TSLA80X), with a market value as of December 30, 2022, totaling 4,647 million Baht.

1.2.2.8 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 in, namely the Pico Finance business with 5 companies – KTC Pico (Bangkok) Co., Ltd., KTC Pico (Chonburi) Co., Ltd., KTC Pico (Pathum Thani) Co., Ltd., KTC Pico (Samutprakan) Co., Ltd. and KTC Pico (Samutsakhon) Co., Ltd. and the Nano Finance business, including Payment Service Business through KTC Prepaid Co., Ltd.

KTC has given importance to the “KTC Pee Berm Loan”, which is a type of loan with vehicle registration as collateral. There are 2 main products, namely car registration loan and motorcycle registration loan. The purpose of this loan type is to expand the scope of the secured loan business. “KTC car and motorcycle registration loans” are available through KTC’s main channels and Krungthai Bank channels, both at branches and online platforms, in an attempt to generate opportunities for KTC to become a leader in the integrated consumer finance business.

1.2.2.9 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.

1.2.2.10 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 insurance policy via electronic channels. Meanwhile, for the convenience of the customers, the company also provides short-term life insurance services for customers, who want to submit for personal tax deduction via the Krungthai NEXT application. This is to facilitate customers in purchasing life insurance products by themselves.

1.2.2.11 Krungthai Panich Insurance PCL

Krungthai Panich Insurance PCL provides the full range of 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 convenience rather than visiting the Bank's branch or the office of the insurance company.

1.2.2.12 Krungthai XSpring Securities Co.,Ltd.

Krungthai XSpring Securities Co., Ltd. provides securities brokerage, derivatives agent business, securities borrowing and lending, securities trading, underwriting, financial advisory, wealth advisory, private fund management, and international markets securities trading for Thai investors and foreign investors, both institutional investors and retail investors.

In 2022, Krungthai XSpring Securities Co.,Ltd. has provided additional services to the Bank's customers by displaying information about stocks/derivatives from the Stock Exchange of Thailand on the customer's portfolio on the Krungthai NEXT application.

1.2.3 Marketing and Competition

Market and Competition Conditions and Business Trends

In 2022, commercial banks faced challenges from the limited recovery of the Thai economy from the continued impact of COVID-19 pandemic, including China's Zero COVID policy causing the recovery of Chinese tourists, which is an important market for the Thai tourism sector. Global economic volatility, especially from the conflict between Russia and Ukraine, which has resulted in supply chain disruption and has pushed up commodity prices, has led to the worst inflation and production cost increase in years and prompted central banks of major economies to tighten their monetary policy direction by continuously accelerating the policy rate hike in the second half of the year. The Bank of Thailand (BOT) has raised the policy rate

from 0.75 percent p.a. to 1.25 percent p.a.. With this economic environment, the commercial banks continued to focus on helping fragile debtors through timely debt restructuring, coupled with credit expansion and careful risk management of NPL as well as raising interest rates in line with market conditions.

The operations of commercial banks in 2022 continued to focus on digital banking competition by investing in technology to enhance work processes and continuously develop financial products and services, such as competition in the digital personal loan market to increase opportunities for people and small businesses to have more access to finance amid competition from non-banking financial institutions. In addition, the banks expanded their business and investments to other countries in ASEAN, as well as joining hands with allies to occupy a wider customer ecosystem and placing importance to operations that meet the environmental, social and governance (ESG) requirements. The Thai Bankers' Association and its member banks have announced an ESG Declaration to set a clear direction for the banking industry on the goal of driving the economy and financial sector towards sustainability. At the same time, the commercial banks have gradually offered financial products to promote business operations, production process adjustments and people's lives that are more environmentally friendly, such as loans for installing solar panels and using clean energy. The results of the commercial banking system in 2022 can be summarized as follows:

- **Loans to customers and net accrued interest receivables** grew consistently by 2.09 percent, up from 5.98 percent last year, driven by the expansion of large corporate loans due to the need for funds to support the gradually recovering economic activities. Meanwhile, consumer credits expanded in line with the recovery of private consumption.
- **Deposits** increased by 4.53 percent, compared to 4.29 percent last year, especially from savings and current accounts (CASA).
- **Net profit** increased by 30.66 percent from an increase of 25.72 percent in the previous year, mainly from credit expansion that increased net interest income by 12.18 percent, together with the decrease of the provision for expected credit losses after the commercial banks gradually set aside high reserves throughout the COVID-19 period.
- **Non-performing loans (NPLs)** decreased by 5.94 percent from the previous year's increase of 1.43 percent. The ratio of NPLs/Loan decreased to 2.72 percent from the previous year at 2.97 percent because the commercial banks have managed credit quality and provided continuous assistance to debtors through debt restructuring.
- **Total capital** increased by 0.35 percent, causing the total capital ratio to remain strong at 19.39 percent, which was still much higher than the minimum threshold set by the Bank of Thailand.

Banking Industry and Competition Outlook 2023

In 2023, the business environment of commercial banks continues to be challenging. Although the Thai economy is expected to expand with the main supporting factor from the recovery of the tourism sector, there are still many risk factors that must be closely monitored, including the production costs and energy prices that remain at a high level and the conflict between Russia and Ukraine that remains uncertain. The global economy is likely to slow down due to tightening financial conditions following continued interest rate hikes by central banks around the world, which will affect the export sector of Thailand. The banking sector must adjust itself to be in line with the Policy Normalization direction of the BOT through an increase in the policy interest rate and an adjustment in the rate of contributions from financial institutions to the Financial Institutions Development Fund (FIDF), which will resume to the normal rate of 0.46 percent per annum in January 2023 after it had been reduced to 0.23 percent per annum during the COVID-19 pandemic. These factors may affect loan growth and cost of fund management as banks compete to raise deposits to maintain their liquidity, including challenges of managing NPLs cliff risk, helping fragile debtors and balancing provisions for expected credit losses.

In addition, commercial banks' operations will be subject to the new financial landscape according to the Bank of Thailand's guidelines, which covers 3 areas: 1) Opportunity for the financial sector to use technology and information to develop innovations and financial services that meet the needs of users based on Open Competition, Open Infrastructure and Open Data principles. Examples of important projects include the issuance of a license to establish a commercial bank that operates on digital channels (virtual bank), role expansion of non-bank financial institutions and development and testing of the issuance of a retail central bank digital currency or Retail CBDC; 2) Sustainability implementation by adding a dimension for the financial sector to seriously assess environmental risks in business operations and supporting the sector to adapt during the transitional period without causing negative impacts on a large scale as well as helping households or vulnerable groups survive and adapt to the new world sustainably. Important plans include the preparation of standards for grouping economic activities that take into account the environment or taxonomy of Thailand; 3) Governance flexibility adjustment to enable financial service providers to adapt, innovate and handle significant new risks in a timely manner.

From the abovementioned environmental factors, the Thai Bankers' Association and its member banks have laid out a roadmap for the next 3 years aimed at promoting sustainable growth, increasing efficiency and confidence in the financial institution system and elevating Thailand's competitiveness both regionally and globally in 4 themes. The first theme is "Enabling Country Competitiveness", which means being an important mechanism to increase the country's competitiveness. The Thai Bankers' Association will develop the country's financial infrastructure based on a concept that reduces redundancy and

integrates comprehensive information, such as the Smart Financial and Payment Infrastructure project or PromptBiz, which can be developed into digital supply chain financing. The second theme is "Regional Championing", which means encouraging entrepreneurs and investors to conduct trade, cross-border investment and tourist payment activities in the region smoothly and at low cost, i.e. the National Digital Trade Platform (NDTP) project. The third theme is "Sustainability", which refers to the Bank's own operations and contributions to the implementation of ESG principles in the private sector, i.e. encouraging the business sector to transition to the BCG economy, compliance with sustainable banking guidelines, jointly solving household debt problems and promoting Financial Inclusion by using alternative credit scoring. The fourth theme is "Human Capital", which refers to the creation of a pool of talent with skills to meet future skills, upskilling and reskilling employees to have more digital literacy and promoting innovative thinking to integrate and utilize technology seamlessly.

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 and state enterprises customers:** This is due the Bank's being able to continuously provide financial services for government agencies, state enterprises, and government officers. 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) and "Khon La Khrueng" (Half-Half) co-payment scheme. 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 and 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 through the X2G2X strategy, especially businesses in 5 Ecosystems - Government Agencies, Payment, Healthcare and Wellness, Educational and Students and Transportation.

- **Various platforms, products and services to fully support the step towards digital banking:** According to the Bank's implementation of 2-Banking Models as a strategy to drive 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 2022, comprising over 16 million users of Krungthai NEXT, more than 40 million users of the Pao Tang application and 1.7 million merchants on Thung Nern application. In addition, the Bank is committed to continually developing digital products and services which have received good feedback, such as investment in digital bonds and comprehensive online gold investment services through Gold Wallet. This includes the collaboration with Infinitas by Krungthai Co., Ltd. to develop Paotang Pay as a super wallet for Thai people and increase the potential of the digital payment application, namely Pao Tang application, to be more comprehensive.

- **Strong capital to support growth:** The Bank had a 19.80 percent capital adequacy ratio (the financial business group), of which 16.69 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 is a large commercial bank that has served

customers and Thai people for more than 50 years. It is one of the top banks that customers think of, and is recognized for using trademarks in effective social media 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, 2022

Bank	Asset		Loan (Net)		Deposit		Domestic Branch	
	Amount (M.THB)	Market Share (%)	Amount (M.THB)	Market Share (%)	Amount (M.THB)	Market Share (%)	Amount (Place)	Market Share (%)
1. Bangkok Bank	3,840,076	16.29	2,096,756	14.36	2,716,152	16.19	891	15.67
2. Kasikorn Bank	3,541,413	15.02	2,269,749	15.55	2,719,710	16.22	830	14.60
3. Krungthai Bank	3,502,329	14.86	2,361,277	16.18	2,594,725	15.47	995	17.50
4. Siam Commercial Bank	3,360,645	14.26	2,185,054	14.97	2,573,654	15.35	801	14.09
5. Bank of Ayudhya	2,450,911	10.40	1,680,008	11.51	1,782,186	10.63	632	11.12
6. TMBThanachart Bank	1,818,511	7.71	1,323,737	9.07	1,400,078	8.35	569	10.01
Total of DSIBs	18,513,885	78.54	11,916,581	81.64	13,786,505	82.21	4,718	82.99
Total of Non-DSIBs (11 Banks)	3,101,359	13.15	1,959,815	13.43	2,074,715	12.37	952	16.75
Total Offshore Branches	1,958,387	8.31	719,277	4.93	908,454	5.42	15	0.26
Grand Total	23,573,631	100.00	14,595,673	100.00	16,769,674	100.00	5,685	100.00

Source: C.B. 1.1, Bank of Thailand

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

1.1 DSIBs (Domestic Systemically Important Banks) include Thai Commercial Banks with market share of total assets of 10% (excluding subsidiaries of foreign banks)

1.2 Non-DSIBs include Thai Commercial Banks with a market share of total assets 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 2022 include: 31 International Awards



1. "Best Digital Bank Thailand 2022"
2. "Most Sustainable Bank Thailand 2022"
3. "Best Banking CEO Thailand 2022"

The Bank is awarded by the World Economic Magazine, USA, in recognition of its outstanding performance in 3 categories. In order to meet all of the needs of consumers, the Bank has used innovation to develop products and services in a variety of areas, while also standing by Thai people and Thai society in times of crisis.



Best Sustainable & Business Solutions Bank

4. Best Sustainable & Business Solutions Bank
5. Outstanding Banking service provider throughout COVID19

The Bank is awarded by The European Magazine, United Kingdom. The award recognizes the Bank for its outstanding performance in creating sustainable growth and having outstanding management during the COVID-19 crisis in every dimension, including building a platform to facilitate customers and people to continually access government assistance measures during the COVID-19 pandemic.

6. Banking CEO of the Year Thailand 2022

The Bank is awarded by the Global Banking and Finance Review Magazine, United Kingdom in recognition for being the national leader in digital banking due to the number of users of the Bank's digital platform, which comprises more than 40 million users on Krungthai NEXT and Pao Tang, more than 1.7 million merchant users on Thung Ngerm, and 18 million users on Krungthai Connex, respectively. This reflects the vision of the organization's leader, especially with the "Pao Tang" application, which is a Thailand Open Digital Platform to lay down the country's digital economy infrastructure and effectively deliver assistance to the people.

7. Best CSR Bank Thailand 2022

The Bank is awarded by the Global Banking and Finance Review Magazine, the United Kingdom, for adopting financial technology to conduct business within the framework of ESG (Environmental, Social, and Governance) by paying attention to the environment, including driving sustainable finance by combining economic, social, and environmental thinking as part of green financing considerations, and supporting communities to access financial literacy.



Best New Banking Product and Service 2022

Best Banking CEO Thailand 2022

8. Best New Banking Product and Service 2022
9. Best Banking CEO Thailand 2022

The Bank is awarded by the Global Business Magazine, United Arab Emirates, in recognition of the country's leader in digital banking, based on the number of users of the Bank's digital platforms and the leadership's determined vision in implementing innovation, especially the "Pao Tang" application, to drive the economy, lay down the country's digital economy infrastructure, and effectively deliver assistance to the people via several government schemes, i.e. the "Rao Chana" (We Win) scheme, the "Section 33 We Love Each Other" scheme, the "Rao Tiew Duay Kan" (We Travel Together) scheme, the "Ying Chai Ying Dai" (The more you spend, the more you get) scheme, and the Khon La Khrueng (Half-Half) co-payment scheme - phase 3, which can encourage spending and generate a turnover of up to 220 billion Baht.

10. Best Social Impact Bank Thailand 2022

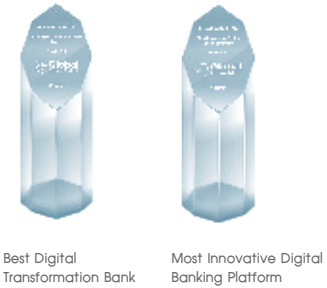
The Bank is awarded by the CFI Magazine, the United Kingdom, in recognition of the primary financial institution driving the country's economy by developing financial innovations to reach all groups of people and supporting government policies and schemes.

11. Most Innovative Banking Initiatives-Thailand 2022
12. Best CEO in Banking-Mr. Payong Srivanich-Thailand 2022

The Bank is awarded by the Global Economics Magazine, the United Kingdom, in recognition of the country's leadership in digital banking, based on the number of users of the Bank's digital platforms and the leadership's determined vision in implementing innovation, especially the "Pao Tang" application, to drive the economy, lay down the country's digital economy infrastructure, and effectively deliver assistance to the people via several government schemes.

13. Best Digital Transformation Bank**14. Most Innovative Digital Banking Platform**

The Bank is awarded by the Global Business Outlook Magazine, the United Kingdom, in recognition of the country's leadership in digital banking, based on the number of users of the Bank's digital platforms and the leadership's determined vision in implementing innovation, especially the "Pao Tang" application, to drive the economy.



Best Social Impact Bank
Thailand 2022

15. Best Social Impact Bank Thailand 2022

The Bank is awarded by the World Business Star Magazine, the United Kingdom. An award was bestowed on the Bank for developing financial innovations to reach all groups of people, including supporting government policies and schemes.

16. Best Product of the Year Thailand 2022

The Bank is awarded by the World Business Star Magazine, the United Kingdom for developing new products and services appropriately to reach all groups of people, including supporting government policies and schemes, namely the Gold Wallet and the One Baht Bond.

17. Most Innovative Retail Bank-Thailand

The Bank is recognized by the International Finance Magazine, the United Kingdom. The award is presented to the Bank as an organization that develops innovative products or services, including initiatives in the area of corporate social responsibility or environmental sustainability.

18. Banking CEO of the Year Thailand 2022

The Bank is awarded by the Global Business Review Magazine, United Arab Emirates. The award is given to the Bank as a leader in digital banking in the country and with the vision of the CEO in adopting innovation to drive the economy through the "Pao Tang" application.

19. Best Banking for Financial Product Thailand 2022

The Bank is awarded by the International Business Magazine, United Arab Emirates. The award is given to the Bank for its appropriate development of new products and services that are accessible to all groups of people and for supporting government policies and schemes to continuously stimulate the country's economy amid the COVID-19 pandemic.

20. Best Bank for Diversity & Inclusion Awards 2022

The Bank is honored at the Asiamoney Awards 2022 in Hong Kong. The Bank received the award as the leader in digital banking in the country, based on the number of users of the Bank's digital platform and the determined vision of the CEO in implementing innovation to drive the economy through the "Pao Tang" application, which is the Thailand Open Digital Platform.

21. Employee Experience of the Year - Banking in the Asian Experience Award Ceremony

The Bank is awarded by the Asian Business Review Magazine, Singapore in recognition of a developer for ONE Krungthai Application, a super app for Krungthai employees. It facilitates employees in all aspects of working through digital systems, corresponding with the new way of life, and generating a new experience for employees to participate in all banking activities with enjoyment through collecting badges and coins to redeem rewards. Through the adaptation of game concepts (Gamification) in developing the app, this enables the communication with employees to become effective and increases their engagement with the organization.

22. AIBP Enterprise Innovation Award

The Bank is awarded by AIBP, Singapore, for the success of using technology and innovation in the development of digital products and services of the "Pao Tang" application as a Thailand Open Digital Platform that meets the needs of all service users in all dimensions, including continuously initiating positive changes for society, meeting the Sustainable Development Goals (SDGs) in terms of reducing inequality, and supporting a sustainable economy.

23. International Innovation Award 2022

The Bank is awarded by Enterprise Asia, Singapore, for a developer for the ONE Krungthai Application, a super app for Krungthai employees. It facilitates employees in all aspects of working through digital systems and corresponding with the new way of life. Through the adaptation of game concepts (Gamification), this enables the communication with employees to become effective and increases their engagement with the organization.



Best Product of the Year
Thailand 2022



Banking CEO of the Year
Thailand 2022



Best Bank for Diversity
& Inclusion Awards 2022

24. Best Sustainability - Linked Bond

The Bank is awarded by The Asset, Hong Kong. The award represents the commitment of the organization to support business operations with environmental, social, and governance (ESG) principles. This award is granted to the financial institutions that are the underwriters of the THB 10 billion Sustainability-Linked Bond (SLB) of Indorama Ventures Public Company Limited (IVL), which is the highest valued sustainability-linked bond in Thailand.

25. Best Local Currency Bond Thailand

The Bank is awarded by The Asset, Hong Kong, to financial institutions that issue bonds worth 66 billion baht of CP All PCL.

26. Best Liability Management Thailand

The Bank is awarded by the Asset Magazine, Hong Kong. The award is given to the financial institutions that sell government bonds, worth 120 billion Baht from the Public Debt Management Office, Ministry of Finance.

27. The Asset Triple A Sustainable Infrastructure Award-Best Deal of the Year BTS Green Bonds

The Bank is awarded by the Asset Magazine, Hong Kong, for the "Transport Deal of the Year" due to the issuance of the green bonds, worth THB 10.2 billion, which have been fully allocated in the category of clean transportation with outstanding fundraising by focusing on sustainable infrastructure for investors to invest in projects that are good and environmentally friendly.



Employee Experience
of the Year-Banking: Asian
Experience Award



Organization & Culture
- ONEKrungthai:
International Innovation
Award 2022



Social Empowerment: Asia
Responsible Enterprise
Awards 2022

28. The Asset ESG Corporate 2021, the Platinum Award

The Bank received the award from Hong Kong's The Asset magazine for enhancing its operations under the principles of "Sustainable Banking" and good corporate governance that discloses accurate and transparent information. During the COVID-19 crisis, the Bank has served as a pillar of the country's economy, helping customers and citizens by developing technology and financial innovation as a mechanism to drive the country's economy and passing economic stimulus measures and financial assistance from the government to the people. It helps reduce inequality in access to financial services, including supporting measures to help all groups of customers affected by the crisis and supporting the country's economy to move forward. It reflects the strength of the organization and its commitment to conducting business with responsibility to customers, investors, and all stakeholders, including creating sustainable value under good governance.

29. Best Digital Wallet Krungthai Bank 'Pao Tang'

The Bank is awarded by The Asian Banker Magazine, Singapore for the success of developing the "Pao Tang" application as a Thailand Open Digital Platform that is open to all groups of users, even without a Krungthai Bank account. The Bank is ready to work with partners in all sectors to develop services to meet the needs of all customer groups, in terms of payment, health, savings and investment.

30. Social Empowerment: Asia Responsible Enterprise Awards 2022

The Bank is awarded by The Asian Banker Magazine, Singapore. With a commitment to drive business with technology and innovation, the Bank has succeeded in developing the Pao Tang application as a genuine Thailand Digital Platform, with more than 40 million users within only 2 years. Meanwhile, the banking business, which is a traditional business, has become more modern and stronger, reflecting the strategy to enhance the Bank's products and services to better meet the needs of all customer groups in all dimensions.

31. ASEAN Corporate Governance Scorecard 2021 in the ASEAN Asset Class

The Bank is awarded by the Institute of Corporate Directors, Philippines in recognition for the Bank's corporate governance assessment. The quality of corporate governance of listed companies in the capital market in the ASEAN region is determined to be assessed and disclosed every two years. The criteria for assessment are based on the availability of Information disclosed to the public, such as the invitation letter and the minutes of the annual meeting of the shareholders, the Annual Report, the company news or information on the website. Krungthai Bank is a Thai listed company that has been assessed in the ASEAN Asset Class level.

21 National Awards



Cybersecurity
Excellence (Banking)



PromptPay Innovation
Award



The Disruptor: Techsauce
Global Summit 2022

1. LINE THAILAND Awards 2021-“Best Official Account In Finance & Insurance”

The Bank is awarded by LINE THAILAND for an organization that has been successful in creating communications, marketing and advertising with customers through the LINE application with the Official Account Krungthai Connex. The account is excessively popular, with the highest engagement rate among the financial and insurance industries, with an average of 7.3 million visits per month, engagements for creating campaigns that reach individual bank customers and delivering the right products. This engagement rate comes from creating campaigns that reach out to individual customers properly and offer suitable products.

2. Best THOR Engagement

The Bank is awarded by ThaiBMA for a contributor in offering products that are loans, debt instruments, or other instruments with reference to the THOR interest rate.

3. Best Repo Primary Dealer

The Bank is awarded by ThaiBMA for an intermediary on policies from the Bank of Thailand (BOT) and money market transactions. In this regard, the Bank has the highest transaction volume among the BOT's partner financial institutions.

4. Most Innovative Deal-PTTEP's Digital Wallet

The Bank is awarded by ThaiBMA to the Bank for applying Blockchain technology to conduct transactions (proprietary hybrid blockchain) from the primary market to the secondary market. This enables all groups of people to easily access investments through digital channels, as well as can trade on the secondary market 24/7. In particular, This is a good sign and a starting point for the development of the secondary market to have more liquidity than at present.

5. Popular Stage Bank of Technology and Innovation Award

The Bank was awarded by the Siamrath Online Award as an important mechanism to remedy people affected by the COVID-19 crisis and offer measures to stimulate the economy through many schemes, i.e., the “Rao Tiew Duay Kan” (We Travel Together) scheme, the “Rao Chana” (We Win) scheme, the “Section 33 We Love Each Other” scheme, and the “Ying Chai Ying Dai” (The more you spend, the more you get) scheme. This makes it possible to pass on the government's measures to reach the people thoroughly, transparently, and verifiably. Most importantly, all groups of people have learned and become familiar with the use of technology in everyday life, driving Thai society towards a cashless society, which is an important foundation for driving the 4.0 economy.

6. Finalist Best Brand Performance on Social Media-Bank

The Bank received the Zocial Award in recognition of the brand that performs best on social media by measuring the effectiveness of their social media marketing activities concretely. In 2022, Krungthai Bank qualified as one of the top 10 banks.

7. The Best Beautiful Booth Award in Money Expo 2022 Bangkok

The Bank was recognized at the Money Expo 2022 Bangkok for designing the booth under the concept “Spread Thai Wings for Sustainability: Empowering BETTER LIFE for all Thais” which reflects the main mission of becoming a sustainable bank.

8. Cybersecurity Performance Excellence Award

9. Cybersecurity Excellence (Banking)

10. Cybersecurity Excellence (Capacity Development)

The Bank received the award from the Office of the National Cybersecurity Commission (NBC). It reflects that the organization has cybersecurity standards in all aspects, namely monitoring and surveillance of cyber threats, raising awareness among employees at all levels to be aware of and ready to deal with cyber threats in various channels.

11. Techsauce Global Summit 2022: The Disruptor

The Bank was awarded at the Techsauce Global Summit 2022, which showcased its achievements in the use of technology and innovation to develop digital products and services that meet the needs of all service users in every dimension and create positive changes for society continuously. This meets the Sustainable Development Goals (SDGs) in terms of reducing inequality and supporting a sustainable economy. The Bank provides products and services on the Thailand Open Digital Platform that was developed by Thailand Co., Ltd. Infinitas by Krungthai is open for everyone to use without having a Krungthai Bank account. Users are able to connect with partners in both the public and private sectors to improve the lives of Thai people every day through the G-wallet service, the government electronic wallet. This helps drive government policies to be effective, get government measures into the hands of all groups of people thoroughly and transparently, and reduce inequality.

12. PromptPay Innovation Award

The Bank was awarded by NITMX Digital Verse Financial Connectivity for its outstanding success in bringing innovation to enhance PromptPay services. As a result, the “Krungthai PromptPay” service is easy to use, convenient, fast, and secure. Customers can choose to bind accounts, both single accounts and multiple accounts, via Krungthai NEXT, Krungthai ATMs, and Krungthai Bank branches nationwide. The Bank encourages a continuous increase in PromptPay users with the intention of driving the country towards a cashless society and fully moving into the digital economy.



Thailand Corporate Excellence
Award 2022 - Leadership
Excellence



Thailand Corporate Excellence
Award 2022 - Marketing Excellence



Thailand Corporate Excellence
Awards 2022 - Product/Service
Excellence

13. Certificate of membership in the Thai Private Sector Collective Action Coalition Against Corruption

The Thai Private Sector Collective Action Against Corruption (CAC) has recertified the Bank as a CAC member for the third consecutive time, emphasizing the Bank's morality under the Sustainable Krungthai Initiatives. It demonstrates the intention and commitment against all forms of corruption through transparent management and the creation of a Zero Tolerance organizational culture according to the principles of good governance to be an efficient organization based on ethical responsibility, taking into account all groups of stakeholders, building confidence, and benefiting shareholders, in order to create sustainable value for the business in the future.

14. Thailand Sustainability Investment (THSI)

The Bank was awarded by the Stock Exchange of Thailand for being selected as one of the 170 listed companies in the list of Thailand Sustainability Investment (THSI), reflecting business operations with regard to the environment, society, and corporate governance, as well as transparent management under good governance (ESG: Environmental, Social, Governance).

15. Sustainability Model Organization Award in the Thai Capital Market for Supporting the Disabled in the Outstanding Category

The Securities and Exchange Commission recognized the Bank as an organization that promotes and supports the employment of the disabled. Krungthai Bank gives importance to improving the quality of life of all groups of the disabled by establishing policies and guidelines that promote a better quality of life for the disabled both in terms of employment and career development so that the disabled have income to rely on themselves as well as developing products and services that support the disabled to access basic financial services and reduce inequality in society. This enables all sectors to grow together sustainably, which is in line with the vision of "Growing Together for SUSTAINABILITY."

16. Thailand's Most Admired Company 2022

The Bank was awarded by Brandage magazine for being in 4th place in the commercial banking category, with outstanding management counting for 1st place in management factors.

17. Thailand Corporate Excellence Awards 2022 - Product/Service Excellence

18. Thailand Corporate Excellence Award 2022 - Leadership Excellence

19. Thailand Corporate Excellence Award 2022 - Marketing Excellence

Thailand Management Association (TMA), in each field in collaboration with the Sasin Graduate Institute of Business Administration of Chulalongkorn University, received the gracious support of Her Royal Highness Princess Kanithathiraj Chao Department of HRH Princess Maha Chakri Sirindhorn to award organizations with excellence in management. General Prayut Chan-o-cha, the Prime Minister, was the chairman of the awards ceremony. The award was given to the Bank for setting up an organizational strategy that meets the needs of the modern business world and develops innovative financial products and services for all groups of people, including low - income groups, without leaving anyone behind. The Bank moves forward to develop financial infrastructure that connects all lifestyles of Thai people through digital platforms - Krungthai NEXT, Pao Tang, and Thung Ngerm applications - that meet the needs of payments, health, savings, and investments. It gains the trust of all groups of customers, and there is a continuous increase in users. The Pao Tang app has more than 40 million users, Krungthai NEXT has 16 million users, and Thung Ngerm has 1.7 million users.

20. SMEs Excellence Awards 2022

Krungthai Bank was awarded by the Thailand Management Association (TMA) for the nomination of "The One Super Center"-SME customers of the Bank. It received the SME Excellence Awards 2022 in the category of retail and wholesale business. Krungthai Bank is committed to developing financial tools to support customers' business operations in order to enhance their competitiveness and achieve sustainable business growth together.

21. Most Innovative Brand 2022

The Bank was awarded by the collaboration of Wisersight, Thailand's leading analytics leader, with Future Trends, a media that presents information, updates, trends, innovation, technology, business, and self-development, at the Future Trends Award 2022. An award given to the Bank for being the ultimate innovation leader in developing digital products and services of the Pao Tang application that meet the needs of all service users in every dimension.

Service Network

The Bank's service network by region as of December 31, 2022

Unit : Place

	Total	Bangkok and Perimeter	Provincial
ATMs	7,461	1,679	5,782
Local branches*	995	292	703
o Physical branches	937	272	665
o Digital branches	12	6	6
o Service points (including off-site service points)	46	14	32
Business Office	74	19	55
International Business Center	24	15	9
Exchange booth	40	18	22

*Including the head offices

1.2.4 Products and Services

Sources of Funds and Lending

Unit : Million Baht

Consolidated Financial Statement	Dec. 31, 2022		Dec. 31, 2021		Change 2022 / 2021
	Amount	Percent	Amount	Percent	Percent
Deposits	2,590,236	72.1	2,614,747	73.5	(0.9)
Interbank and money market items, net	277,099	7.7	296,344	8.3	(6.5)
Debt issued and borrowings	151,172	4.2	133,817	3.8	13.0
Others	181,340	5.1	137,725	3.9	31.7
Total Equity	392,572	10.9	374,111	10.5	4.9
Total	3,592,419	100.0	3,556,744	100.0	1.0

Unit : Million Baht

Loans and deposits classified by maturity Consolidated	Dec. 31, 2022		Dec. 31, 2021		Change 2022 / 2021
	Amount	Percent	Amount	Percent	Percent
Loans					
- No more than 1 year	729,562	28.1	824,900	31.4	(11.6)
- More than 1 year	1,863,276	71.9	1,804,063	68.6	3.3
Total Loans*	2,592,838	100.0	2,628,963	100.0	(1.4)
Deposits					
- Not more than 1 year	2,593,137	98.0	2,583,326	98.8	(1.7)
- More than 1 year	51,099	2.0	31,421	1.2	62.6
Total Deposits	2,590,236	100.0	2,614,747	100.0	(0.9)

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

Business Assets for Operation**Main Fixed Assets**

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

Unit : Million Baht

	Cost	
	Dec. 31, 2022	Dec. 31, 2021
Land		
Cost	5,748	5,779
Appraisal increase	17,639	17,694
Appraisal decrease	-	-
Premises	12,235	12,555
Equipment	23,246	23,911
Others	1,429	992
Total	60,297	60,931
Less Accumulated depreciation	29,051	29,366
Less Allowance for impairment	46	47
Premises and equipment, net	31,200	31,518

The Bank has lease liabilities as of December 31, 2022 compared to the previous year as follows:

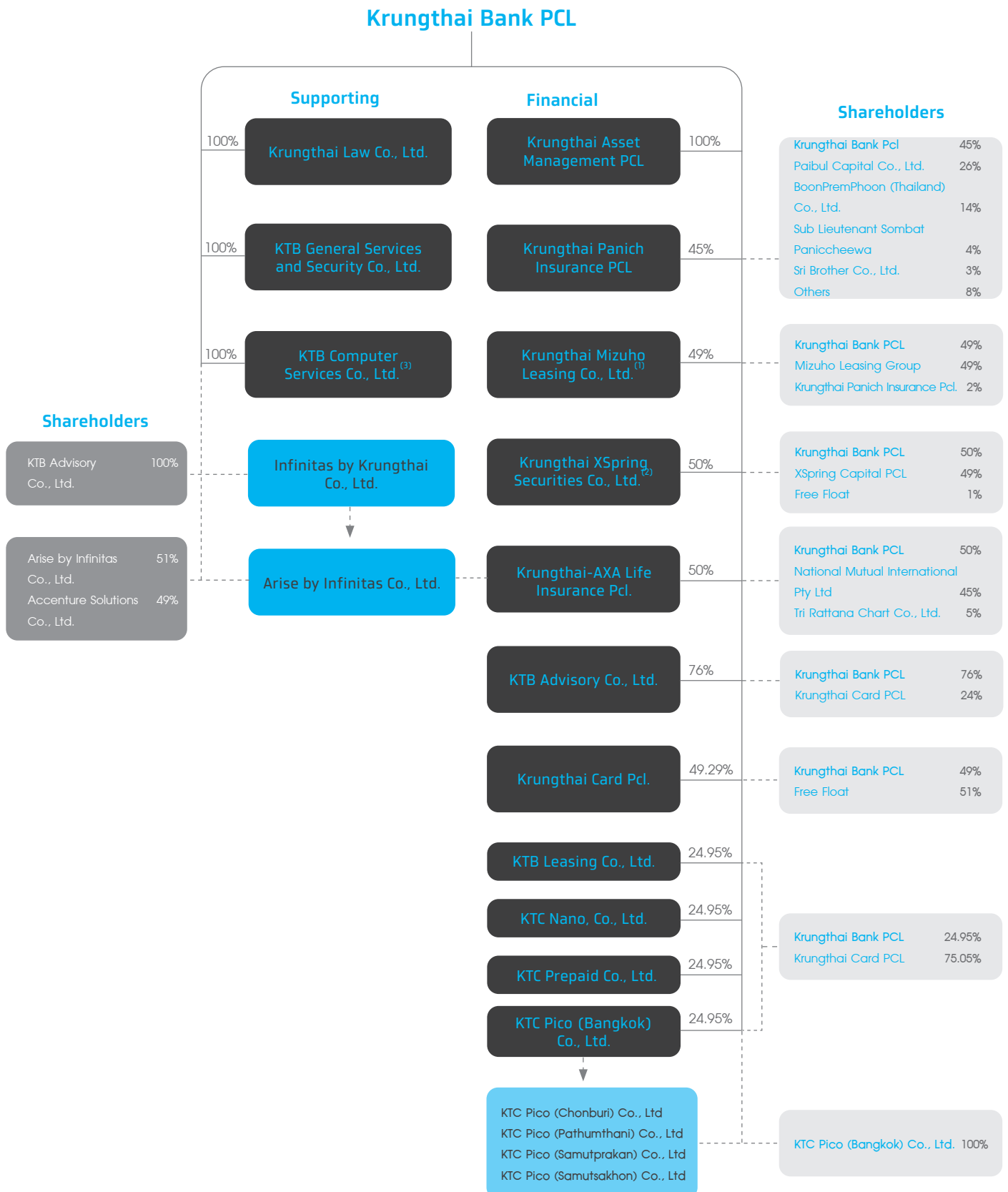
Unit : Million Baht

Amounts payable under the lease agreements	Dec. 31, 2022	Dec. 31, 2021
Not more than 1 year	1,763	1,958
More than 1 - 5 years	1,923	2,318
More than 5 years	159	190
Total	3,845	4,466
Less : deferred interest	(157)	(189)
Total	3,688	4,277

1.3 Shareholding Structure in the Financial Business Group

1.3.1 Shareholding Structure in the Financial Business Group

Shareholding Structure in the Financial Business Group as at December 31, 2022



Investment Policy in Companies in the Financial Business Group

The Bank set a policy on investments in securities to be a guideline for investment management in both equity instruments and debt instruments to generate returns appropriate to the risk appetite of the Bank in accordance with its risk management policy and regulations, to increase income and other returns besides interest received from lending, to promote the Bank's core business operations, and to be a tool in the debt restructuring process.

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

- **Debt Instruments**

The Bank considers investing in bonds or debt securities guaranteed by the government, which are debt instruments with low risk and high liquidity. It can also be counted as liquid assets and allocated for the benefit of various transactions with the Bank of Thailand. In addition, the Bank has invested partly in state-owned enterprise bonds and corporate bonds by taking into account the liquidity of the Bank, securities liquidity, risks and return received, and concentration of investment. The Bank constantly reviews investment policies and adjusts investment strategies in line with market conditions.

- **Equity Instruments**

The Bank considers investing in equity instruments to generate returns from the Bank's excess liquidity. It will invest in companies with good fundamentals and a history of consistent dividend payments and focus on investing in listed securities that have trading liquidity. In addition, the Bank has invested in businesses that support the Bank's business and partially invested in stocks received from the debt restructuring of loan customers. In this regard, the Bank regulates investment in the Bank's equity instruments in accordance with the regulations of the relevant regulatory agencies.

Risk Management

The Bank has a Risk Oversight Committee (ROC) that evaluates the Bank's risk management policies and strategies, as well as an Assets and Liabilities Management Committee (ALCO) that determines investment strategies by considering returns appropriate to risk level and supervises investment management to ensure that it is in accordance with policy, as well as supervises investments to ensure that they are within the total investment limit and risk limits. The Bank closely monitors and manages investments to create returns and prevent damage from investment impairment by monitoring economic conditions, market yield trend analysis, the performance of the invested businesses, and the movement of the price, including related news, to assess the business status and environment of the businesses in which the Bank invests to adjust investment strategies and consider setting aside reserves for impairment losses in line with changes in investment values.

In this regard, the Bank's investment management unit is responsible for reporting trading and the status of investments to the Executive Committee and the Board of Directors on a monthly and quarterly basis, respectively.

Provision for Impairment Losses

For provision for impairment of investment in each type of security, the Bank considers indications of impairment in accordance with accounting standards, such as financial statements, the market price of securities invested by the Bank, etc., in order to estimate a recoverable amount in the future.

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 operational risks.

The Bank has 20 companies in the financial business group as of December 31, 2022 as follows:

1. Financial Business refers to businesses that support and enable the Bank to provide more comprehensive services i.e., 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 XSpring Securities Co., Ltd. (formerly known as Krungthai Zmico Securities Co., Ltd.), KTB Advisory Co., Ltd., KTB Leasing Co., Ltd., Krungthai Mizuho Leasing Co., Ltd. (formerly known as Krungthai 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 service 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 Krungthai Law Co., Ltd., Krungthai Computer Services Co., Ltd., KTB General Services and Security Co., Ltd., Infinitas by Krungthai Co., Ltd. and Arise by Infinitas Co., Ltd. to provide personnel and information technology (IT) resources services.

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

as of December 31, 2022.

Company	Business	Total Shares Issued	Shareholding Ratio			Type of Share
			The Bank’s Direct Holding of Shares		Indirect Holding ⁽¹⁾	
			No. of Shares Invested	Percentage of Shareholding	Percentage of Shareholding	
Insurance Business						
1. Krungthai-AXA Life Insurance Pcl. 9 G Tower Grand Rama 9, 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	Non-Life Insurance	33,000,000	14,850,000	45.00	-	Ordinary
3. Dhipaya Group Holdings Co., Ltd. 1115 Rama 3 Road, Chong Nonsi, Yannawa, Bangkok 10120 Tel: +662 239-2200	Non-Life Insurance	594,292,336	59,429,000	10.10	-	Ordinary
Hire Purchase / Leasing						
4. KTB Leasing Co., Ltd. 591 UBC II Bldg., 2nd Fl., Sukhumvit Rd., KlongTon Nua, Wattana, Bangkok 10110 Tel: +662 407-1500	Hire purchase	100,000,000	24,950,000	24.95	75.05 ⁽²⁾	Ordinary
5. Krungthai Mizuho Leasing Co., Ltd. ⁽⁷⁾ 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 ⁽³⁾	Ordinary
Credit Card/Personal Loan/Retail Loan						
6. Krungthai Card, PCL. 591 UBC II Bldg., 14th Fl., Sukhumvit Rd., KlongTon Nua, Wattana, Bangkok 10110 Tel: +662 123-5000 Fax: +662 661-7721	Credit Card and Personal Loan	2,578,334,070	1,270,908,500	49.29	-	Ordinary

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) Krungthai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd. effective from January 6, 2022 onwards.

(8) Krungthai Zmico Securities Co.,Ltd. changed its name to Krungthai XSpring Securities Co., Ltd., effective from April 4, 2022 onwards.

Company	Business	Total Shares Issued	Shareholding Ratio			Type of Share
			The Bank's Direct Holding of Shares		Indirect Holding ⁽¹⁾	
			No. of Shares Invested	Percentage of Shareholding	Percentage of Shareholding	
7. KTC Nano, Co., Ltd. 591 UBC II Bldg., 6 Fl., Room G3, Sukhumvit Rd., KlongTon Nua, Wattana, Bangkok 10110 Tel: +662 123-5300	Nano Finance	5,000,000	1,247,500	24.95	75.05 ⁽²⁾	Ordinary
8. KTC Pico (Bangkok) Co., Ltd 591 UBC II Bldg., 6 Fl., Room G4, Sukhumvit Rd., KlongTon Nua, Wattana, Bangkok 10110 Tel: +662 123-5300	Retail Loan	6,000,000	1,497,000	24.95	75.05 ⁽²⁾	Ordinary
9. KTC Pico (Chonburi) Co., Ltd 89/457 Moo 6, Bo Win, Si Racha, Chon Buri	Retail Loan	1,000,000	-	-	100.00 ⁽⁴⁾	Ordinary
10. KTC Pico (Pathumthani) Co., Ltd. 94 Future Park Rangsit, 2nd Fl., Phaholyothin Rd., Prachathipat, Thanyaburi, Pathumthani	Retail Loan	1,000,000	-	-	100.00 ⁽⁴⁾	Ordinary
11. KTC Pico (Samutprakan) Co., Ltd. 200/63 Moo 1, Bang Sao Thong, Samut Prakan	Retail Loan	1,000,000	-	-	100.00 ⁽⁴⁾	Ordinary
12. KTC Pico (Samutsakhon) Co., Ltd. 322/90 Ekkachai Rd., Mahachai, Mueang Samut Sakhon, Samut Sakhon	Retail Loan	1,000,000	-	-	100.00 ⁽⁴⁾	Ordinary
Payment Service under Supervision						
13. KTC Prepaid Co., Ltd. 591 Samatchavanich 2 Bldg., 6 Fl., Room 102, Sukhumvit Rd., KlongTon Nua, Wattana, Bangkok 10110 Tel: +662 828-5568	Payment Service under Supervision	10,000,000	2,495,000	24.95	75.05 ⁽²⁾	Ordinary
Securities						
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	Asset 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) Krungthai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd. effective from January 6, 2022 onwards.

(8) Krungthai Zmico Securities Co.,Ltd. changed its name to Krungthai XSpring Securities Co., Ltd., effective from April 4, 2022 onwards.

Company	Business	Total Shares Issued	Shareholding Ratio			Type of Share
			The Bank's Direct Holding of Shares		Indirect Holding ⁽¹⁾	
			No. of Shares Invested	Percentage of Shareholding	Percentage of Shareholding	
15. Krungthai XSpring Securities Co., Ltd. ⁽⁸⁾ 287 Liberty Square Bldg., 8th, 15th-17th, Silom Rd., Bang Rak, Bangkok 10500 Tel: +662 695-5000 Fax: +662 695-5173 Holding Company	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: +662 208-3030 Supporting Business	Holding Company	30,000,000	22,799,999	76.00	24.00 ⁽²⁾	Ordinary
17. Krungthai 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. KTB 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 ⁽⁵⁾	Ordinary
21. Arise by Infinitas Co., Ltd. 2 Ploenchit Center Building, 6th-7th Floor, Sukhumvit Road, Klong Toey, Klong Toey District, Bangkok 10110	Providing Personnel and IT Resources	30,000,000	-	-	51.00 ⁽⁶⁾	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) Krungthai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd. effective from January 6, 2022 onwards.

(8) Krungthai XSpring Securities Co., Ltd. changed its name to Krungthai XSpring Securities Co., Ltd., effective from April 4, 2022 onwards.

Company	Business	Total Shares Issued	Shareholding Ratio			Type of Share
			The Bank’s Direct Holding of Shares		Indirect Holding ⁽¹⁾	
			No. of Shares Invested	Percentage of Shareholding	Percentage of Shareholding	
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., Chaengwattana Rd., Klong Kluea, Pak Kret, Nonthaburi 11120	Electronic Letter of Guarantee Service on Blockchain System	53,000,000	11,750,000	22.17	-	Ordinary
24. Suvarnabhumi Airport Hotel Co., Ltd. 999 Moo 1 Suvarnabhumi Airport Hotel Bldg., Nongprue, Bang Phli, Samut Prakan 10540 Tel: +662 131-1042-4 Fax: +662 131-1189	Hotel	10,177,800	1,017,780	10.00	-	Ordinary
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	Publications	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	Canned Food Manufacturing and Distribution	500,490,420	62,145,000	12.42	-	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) Krungthai IBI Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd. effective from January 6, 2022 onwards.

(8) Krungthai Zmico Securities Co., Ltd. changed its name to Krungthai XSpring Securities Co., Ltd., effective from April 4, 2022 onwards.

Company	Business	Total Shares Issued	Shareholding Ratio			Type of Share
			The Bank's Direct Holding of Shares		Indirect Holding ⁽¹⁾	
			No. of Shares Invested	Percentage of Shareholding	Percentage of Shareholding	
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 Industry	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 SMEs)	94,000,000	82,819,358	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 (Fund established to promote SMEs)	73,000,000	62,660,937	85.84	-	Trust Certificate

Notes :

(1) Final shareholding ratio

(2) Indirect shareholding through Krungthai Card Plc.

(3) Indirect shareholding through Krungthai Panich Insurance Plc.

(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) Krungthai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd. effective from January 6, 2022 onwards.

(8) Krungthai Zmco Securities Co.,Ltd. changed its name to Krungthai XSpring Securities Co., Ltd., effective from April 4, 2022 onwards.

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

-None-

1.3.3 Relationship with Business Group of Major Shareholders

-None-

1.3.4 Shareholders

Top 10 Shareholders

Shareholding Structure: List of Shareholders as of April 21, 2022 (book closing date) are as follows:

Shareholder	Number of Shares			
	Ordinary	Preferred	Total	Percent
1) The Financial Institutions Development Fund	7,696,248,833	0	7,696,248,833	55.05
2) Thai NVDR Co., Ltd	787,980,031	2,060	787,982,091	5.64
3) EGAT Saving and Credit Cooperative Limited	460,613,600	0	460,613,600	3.29
4) STATE STREET EUROPE LIMITED	367,499,309	0	367,499,309	2.63
5) Vayupaksa Mutual Fund 1 managed by MFC	307,925,658	2,726,095	310,651,753	2.22
6) Vayupaksa Mutual Fund 1 managed by KTAM	307,925,657	2,726,095	310,651,752	2.22
7) SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	203,348,271	0	203,348,271	1.45
8) The Federation of Savings and Credit Cooperatives of Thailand Limited	137,776,000	0	137,776,000	0.99
9) Government Savings Bank	111,879,722	0	111,879,722	0.80
10) BNY MELLON NOMINEES LIMITED	107,309,677	0	107,309,677	0.77
11) Other shareholders	3,487,554,492	45,750	3,487,600,242	24.94
Total	13,976,061,250	5,500,000	13,981,561,250	100.00

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

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

Shareholder	Juristic Entity		Individual		Total		
	Number	Number of Shares	Number	Number of Shares	Number	Number of Shares	Percent
Thai Nationality	692	10,910,289,567	74,044	1,593,880,563	74,736	12,504,170,130	89.47
Foreign Nationality	239	1,422,334,216	133	49,556,904	372	1,471,891,120	10.53
Total	931	12,332,623,783	74,177	1,643,437,467	75,108	13,976,061,250	100.00

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

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

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

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

Top 10 Shareholders

Shareholding Structure: List of Shareholders as at December 31, 2022 (book closing date) are as follows:

Shareholder	Number of Shares			
	Ordinary	Preferred	Total	Percent
1) The Financial Institutions Development Fund	7,696,248,833	0	7,696,248,833	55.05
2) Thai NVDR Co., Ltd	1,109,390,585	2,060	1,109,392,645	7.94
3) STATE STREET EUROPE LIMITED	453,435,166	0	453,435,166	3.24
4) EGAT Saving and Credit Cooperative Limited	399,001,900	0	399,001,900	2.85
5) Vayupaksa Mutual Fund 1 managed by MFC	304,793,658	2,726,095	307,519,753	2.20
6) Vayupaksa Mutual Fund 1 managed by KTAM	304,793,657	2,726,095	307,519,752	2.20
7) SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	204,109,793	0	204,109,793	1.46
8) Government Savings Bank	111,920,622	0	111,920,622	0.80
9) BNY MELLON NOMINEES LIMITED	111,418,816	0	111,418,816	0.80
10) THE BANK OF NEW YORK MELLON	100,955,278	0	100,955,278	0.72
11) Other shareholders	3,179,992,942	45,750	3,180,038,692	22.74
Total	13,976,061,250	5,500,000	13,981,561,250	100.00

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

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

Shareholder	Juristic Entity		Individual		Total		
	Number	Number of Shares	Number	Number of Shares	Number	Number of Shares	Percent
Thai Nationality	825	11,102,528,969	66,283	1,258,678,363	67,108	12,361,207,332	88.41
Foreign Nationality	242	1,571,126,134	121	49,227,784	363	1,620,353,918	11.59
Total	1,067	12,673,655,103	66,404	1,307,906,147	67,471	13,981,561,250	100.00

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

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

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

The Bank compiled a list of shareholders as at December 31, 2022 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, 2022, 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 of and a juristic person separated 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

1.4.1 Registered Capital

As of December 31, 2022, 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	

1.4.2 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 ticket KTB, and foreign board trading uses the ticket 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 prior to 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.

1.4.3 Other Securities

As of December 31, 2022, the Bank has 1,109,392,645 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 7.94 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 17.65 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.

1.5 Issuance of Other Securities

The Bank issues and offers debt instruments. The proceeds from each offering are used for the purposes stated in the 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	Debt Instruments	Credit Rating	Outstanding	Period (year)	Redemption Date
Jun. 1, 2018	USD Debentures of Krungthai Bank PCL. No. 1/2018 (Due 2023).	AAA (tha) (Fitch Ratings Thailand)	USD 230 million	5	June 1, 2023
Jul. 12, 2019	Subordinated Instruments intended to qualify as Tier 2 Capital of Krungthai Bank PCL. No. 1/2019 (Due 2029).	AA (tha) (Fitch Ratings Thailand)	THB 24,000 million	10 (Call option in 5th year)	July 12, 2029
Mar. 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
Apr. 12, 2022	Subordinated Instruments intended to qualify as Tier 2 Capital of Krungthai Bank PCL. No. 1/2022 (Due 2032).	AA(tha) (Fitch Ratings Thailand)	THB 18,080 million	10 (Call option in 5th year)	April 12, 2032
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) (Fitch Ratings Thailand)	THB 1,806.75 million	5	September 14, 2026
2021	Structured note based on the USDTHB exchange rate (FX Note) under the Krungthai Bank PCL Structured Notes Program No. 1/2020	AAA(tha) (Fitch Ratings Thailand)	USD 629 million	1-7	March 31, 2023 - 2028
2021	Structured note based on Solactive Luxury Dynamic Factors Index (SOLUX10F Index) under the Krungthai Bank PCL Structured Notes Program No.1/2020.	AAA(tha) (Fitch Ratings Thailand)	THB 741 million	5	June 16, 2026, July 9, 2026

Issuance Date	Debt Instruments	Credit Rating	Outstanding	Period (year)	Redemption Date
2022	Structured note based on Solactive Global Artificial Intelligence ESG EUR Index 5% AR (SOAIESG5 Index) under the Krungthai Bank Public Co. Ltd. Structured Notes Program No.1/2021.	AAA(tha) (Fitch Ratings Thailand)	THB 1,340 million	5	January 27, 2027
2022	Structured note based on THOR Index (Inverse Floater Note) under the Krungthai Bank Public Co. Ltd. Structured Notes Program No.1/2021	AAA(tha) (Fitch Ratings Thailand)	THB 7,626.60 million	1 year, 1 year 6 months, 2 years, 3 years	- July 19 and 25, 2023 - December 12, 2023 - June 10, 27 and 28, 2024 - July 15, 2024 - June 9 and 27, 2025
2022	Structured note based on THOR Index (Fixed Range Inverse Floater Note) under the Krungthai Bank Public Co. Ltd. Structured Notes Program No.1/2021	AAA(tha) (Fitch Ratings Thailand)	THB 1,318.30 million	2 years 3 months	November 11, 2024
2022	Structured note based on J.P. Morgan 4% VT Mozaic XRP 1% Decrement Index (JMAB392E Index) under the Krungthai Bank Public Co. Ltd. Structured Notes Program No.1/2021	AAA(tha) (Fitch Ratings Thailand)	THB 2,680.20 million and USD 3.90 million	3 years, 10 years	- March 6, 2026 - May 13 and 19, 2025 - June 2 and 16, 2025 - June 21, 2032 - August 26, 2032
2022	Structured note based on the USDTHB exchange rate (FX Note) under the Krungthai Bank PCL Structured Notes Program No. 1/2021	AAA(tha) (Fitch Ratings Thailand)	USD 64.79 million	1 year	August 18, 2023
2022	Structured note based on DB Momentum Asset Allocator Target Volatility 5.5% Index (DBMUAU55 Index) under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(tha) (Fitch Ratings Thailand)	THB 49.36 million	1 year 6 months 14 days	May 24, 2024

Issuance Date	Debt Instruments	Credit Rating	Outstanding	Period (year)	Redemption Date
2022	Structured note based on THOR Index (Fixed Range Inverse Floater Note) under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(thai) (Fitch Ratings Thailand)	THB 2,791.80 million	1 year, 2 years 3 months	-October 18 and November 1, 2023 -December 16, 2024
2022	Structured note based on THOR Index (Step Up Callable Bonus Note) under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(thai) (Fitch Ratings Thailand)	THB 3,239.90 million	5 years	November 29, 2027
2022	Structured note based on CITI Diversified Risk Premia Index (CIMARP23 Index) under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(thai) (Fitch Ratings Thailand)	THB 920 million	3 years	December 8, 2025
2022	Structured note based on JPYTHB (Dual Currency Note) under the Krungthai Bank PCL Structured Notes Program No. 1/2022	AAA(thai) (Fitch Ratings Thailand)	JPY 18.75 million	2 months	February 8, 2023

1.6 Dividend Payment Policy

• Dividend Payment Policy of the Bank

The Bank has the dividend payout policy about 40 percent of its net profit. 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 2021	Year 2020	Year 2019 *
Earnings per Share (Baht)	1.54	1.20	2.09
Dividend per share for ordinary share (Baht)	0.4180	0.2750	0.7530
Dividend per share for preferred share (Baht)	0.5725	0.4295	0.9075
Dividend payout ratio (percentage)	30.07	28.93	40.00
Dividend Payment Date	May 6, 2022	May 7, 2021	April 23, 2020

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

The “VUCA World” – Volatility, Uncertainty, Complexity and Ambiguity – arising from technological innovation in the digital economy era has caused drastic and rapid changes in the economy, society and business competition. Currently, after the COVID-19 pandemic situation has begun to subside, the economy has proceeded to recover. Many countries have reduced their measures to suppress the spread of COVID-19 and open up the country to return to normalcy, thus allowing people and businesses to resume normal activities. However, people’s behavior has changed to a new normal lifestyle. Consumers have engaged more in online platform activities whereas the emergence of digital transformation in the business sector develops in a faster and wide-ranging manner. As a result, these factors become the accelerating factors in the expansion of the digital economy and the challenges for the Bank to achieve its goals. In addition, the Bank faces several risks from ESG (Environment, Social, Governance) factors that affect both business sectors and society that are the Bank’s customers. Risk management is therefore an important factor that helps protect, maintain and encourage the Bank to achieve its specified objectives as well as driving towards sustainable banking. The effective risk management system shall reflect good management, business ethics and verifiable transparency, which are important foundations for the stable growth of the Bank.

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 the 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 noted 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. According to this, the Key Risk Indicators (KRIs), Risk Appetite, Risk Tolerance covering all risk factors and Risk Causes have been specified in order to control the result of the risk management to be within the risk appetite limit and in line 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. The 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.

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 KTB core value, including providing training courses and seminars about risk management to the employees at all levels covering the Board of Directors, top executives and employees in every departments of the Bank. Consequently, all of them realized the importance and have further understanding toward risk management, as well as taking responsibility in regulatory compliance and the Bank’s risk management. The training courses 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

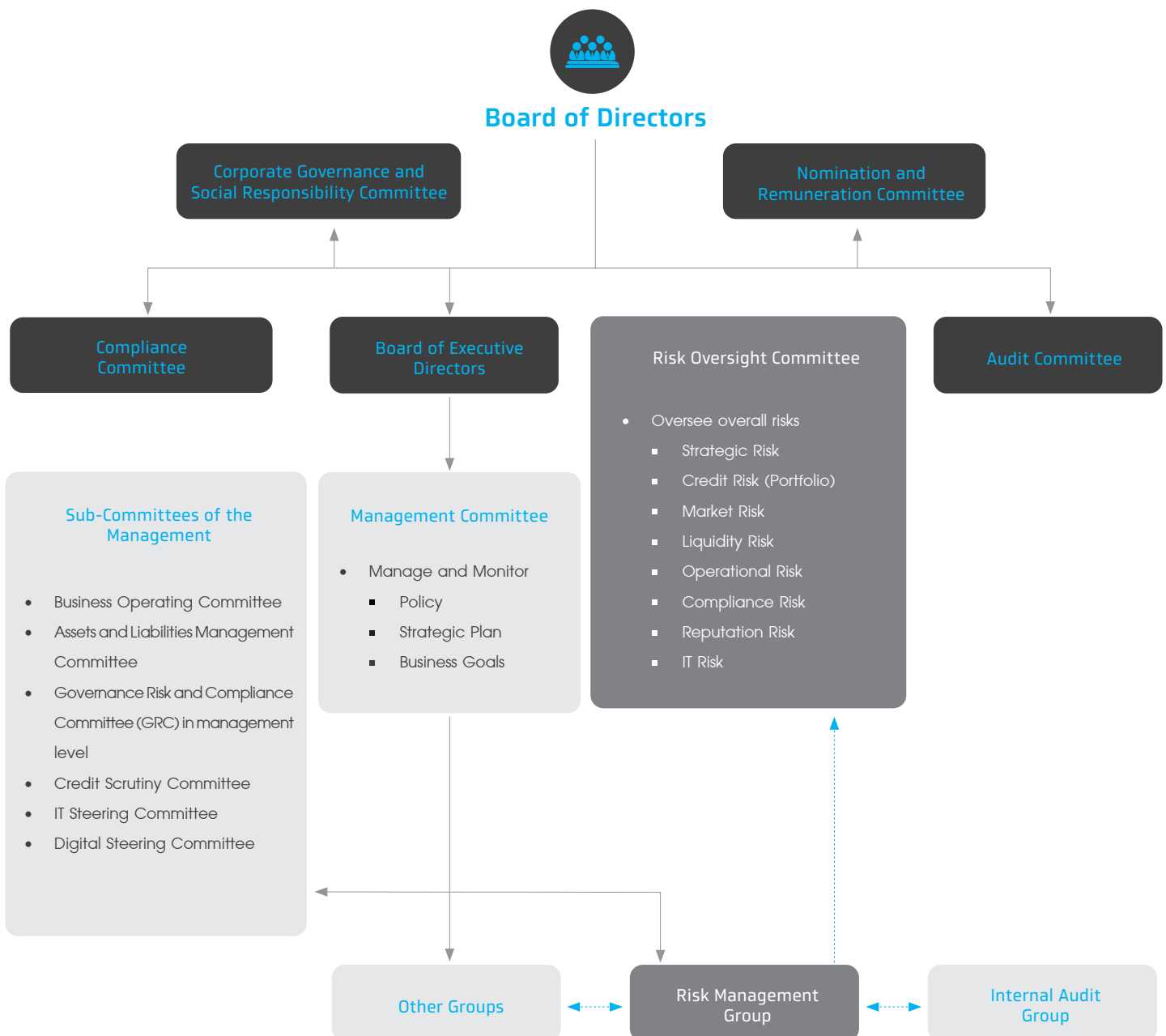
The Bank has 20 subsidiary companies in the Financial Conglomerate, classified into 4 business groups, namely credit-related business, capital market business, insurance business and general services business (support business) supporting the Bank’s operations. The Bank had formulated a policy and risk management framework in accordance with the requirements for consolidated supervision prescribed by the Bank of Thailand (BOT) and the identical principles to the Bank’s risk management and compliance.

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

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

- Risk Management Structure

The Bank sets up the organization and risk management structure effectively which is corresponding to the principles of good corporate governance. Duty and responsibility are clearly segregated for each business unit. The Bank's Risk management structure consists of high-level committees that are sub-committees of the Bank's Board of Directors. They are responsible for overseeing overall risks and in terms of policy. The committees are the Board of Directors, the Board of Executive Directors, the Risk Oversight Committee, the Compliance Committee and the Audit Committee. In addition, there are other Sub-Committees of the Management Authorities 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 and the sources of funds for the repayment of debts. The Bank shall 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 the status and business competence of the loan applicant, such as assessing of the executives or personnel, assessing the 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 amounts, the Bank has required a 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 complications in their businesses, loan approval relies on judgment and experiences of loan committees. Approval authority of the committees is based on the credit rating of and total loan limit of customers. 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, the approval authority of certain types of loans or low-risk loan transactions is delegated to the Bank's officers. This is to help the Bank be able to compete with other financial institutions and also provide flexibility in loan services.

3. **Debtor Tracking**

The Bank appoints loan officers to regularly visit customers who have already received loan approvals in order to keep track of their loan amount usage to be in accordance with loan conditions, including tracking the progress of their

business and the well-being of customers. The Bank requires loan review of all customers. The frequency of the review depends on the risks of the customer. However, it must be reviewed at least every 12 months. After reviewing, the results will be used in determining the suitability of the loan amount granted to the customers and the renewal of loan limit and its conditions. Besides, preventive tracking of customers is required. In preventive tracking, loan officers follow up on warning signs about customers' loan quality, keep track of and review financial statements and business plans, and credit ratings of customers. Credit ratings must be reviewed at least once a year or when there is a risk situation which may affect the customer's ability to repay debt to the Bank or the customer's management. In order to keep track of the customers, the Bank also maintains the valuation of collateral and insurance accurate and up-to-date. Furthermore, the Early Warning system has been employed in order to help monitor the debtor's loan use and debtor quality consistently and quickly, as well as determining the schedule of customer's credit review in compliance with the 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. Additionally, 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 that are in compliance with the established accounting standards and the regulations of the Bank of Thailand, under the Notification of the Bank of Thailand, Re: Regulations on Asset Classification and Provisioning of Financial Institutions, which is effective from 1 January 2020 onwards. Inclusively, 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 the loan classification to be considered according to the credit risk profile by taking into account the quantitative factors based on loan overdue period and the qualitative factors based on various factors that affect the ability to pay debt, financial position, including the credit risk status according to various indications. Loan classification is divided into 3 stages as follows.

(1) Stage 1 or S1 refers to 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 customer based on the lowest level of the debtor, unless it meets other conditions set by the Bank, loans will be classified by a facility/an account. (For example, in case there is an indication that the cash inflow in each account of the debtor is not related to one another or non-performing loan accounts do not affect the main loan limit of the debtor, etc.). As for consumer loans, the loan is classified by facility/account.

As for debtors whose debts are restructured in accordance with the Bank of Thailand policy on debt restructuring, whether pre-emptive debt restructuring or troubled 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 severe impact of COVID-19 pandemic towards the economy, the Bank, therefore, continuously stipulates measures to assist debtors affected by economic disruptions in accordance with the rules and guidelines prescribed by the Bank of Thailand, the BOT Notification Re: Guidelines for Providing Assistance to Borrowers Adversely Affected by the Situation that Has Impacted the Thai Economy and other relevant notifications respectively.

Due to the current situation of COVID-19, it is expected that debtors will continue to be affected accordingly. The Bank of Thailand therefore has a guideline to assist debtors affected by the COVID-19 pandemic (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 detail, those groups are (1) Debt restructuring for debtors by stipulating conditions to reduce the debtor's debt repayment burden, rather than extending the repayment period solely and (2) Debt restructuring for debtors by only extending the loan 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 solely.

(1) Non-NPL debtors can be classified into debtors that do not have a significant increase in credit risk (Performing or Stage 1) immediately, without a follow-up result of repayment according to new debt restructuring conditions. In particular, the details and conditions for debt repayment in the new agreement or contract must be clearly stated 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 conditions 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 Notification of the Bank of Thailand, Re: Regulations on Asset Classification 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 previous information and forward-looking information which may affect the debtor's repayment ability according to the classification status and the regulations prescribed by the Bank of Thailand as follows:

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

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

2.2 Business Operation Risks and Risk Management Measures

2.2.1 Emerging Risks to the Bank's Business Operation

- Digital Risk

Due to the rapid changes in technology, it has contributed to the rise of the Digital Economy, causing financial institutions to push forward services through digital platforms and introduce new financial innovations such as digital payment, digital assets, cryptocurrency, smart contract and Digital Lending etc. This results in the occurrence of digital risks that affect the Bank and its customers as follows:

Digital risks from financial innovation driven by technological innovation have a large impact on traditional banking business. In particular, income from interest, fee or income from other services of the Bank tends to decline. This is because other competitors, especially Fintech groups, have stepped into the competition ground and offered more new forms of financial services by partnering with various banks and offering services such as digital wallet, digital payment, digital lending, fundraising or investing in the form of digital assets, etc. 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. Besides, the Bank is exposed to the risk of Cybersecurity Failure possibly caused by the expansion of banking systems and emerging cyber threats.

Digital risk has impacts on customers. The more customers tend to use services on digital platforms, the more it may cause cybersecurity failures, for instance, being scammed by scammers through malware, phishing and ransomware, etc. This includes the fact that the customers are unaware of the deception due to lack of technological knowledge, such as the deceitful installation of insecure applications for financial theft, etc. Moreover, as the Bank is moving towards more digital platforms, it may lead to digital inequality for customers who mainly use services through traditional banking, which may cause the Bank to lose this group of customers.

Therefore, the Bank has implemented plans to protect its core business and respond to emerging risks in the banking industry as it continues to cope with digital risks. For example:

- Establishment of Infinitas by Krungthai Co., Ltd. and Arise by Infinitas Co., Ltd. to research and develop digital financial systems or products and to support the provision of personnel services and IT resources.

- The Bank invests in IT-related projects continuously through the annual Digital IT Roadmap in order to enhance the capability of the work system to support more transactions and new businesses of the Bank. This includes the investment to increase cybersecurity matters to prevent various types of attacks in an attempt to reduce the risk of cybersecurity failures.

- Development of cybersecurity work systems to ensure that the Bank's information security is in line with international standard and establishment of a Hybrid CSOC (Cyber Security Operation Center) to deal with and monitor the cyber threats.

- Announcement of the Third Party Risk Management Policy and the IT security policy. The arrangement of information security standard review and the annual contingency plan testing has been conducted to ensure the Bank's readiness for all kinds of emergency situations in order not to affect customer service and business operations of the Bank.

- Raising security awareness among the Bank's employees at all levels through knowledge promotion and activities in various forms. In addition, the Bank regularly publicizes knowledge on cyber threats to customers, especially in cases of phishing and other forms of fraud.

- Development of the "Pao Tang" application to be an Open Banking Platform to support digital services and connection with partners, especially the government sector by adding service features such as Pao Tang Pay, Gold Wallet, Sasom Bond Mung Kung e-Wallet (SBM Wallet) and Digital Lottery, etc., to increase access to financial services of customers of all levels.

- Participation in the Regulatory Sandbox for platforms or products specified by the official authorities.

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

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

- Establishment of branch standardization in order to standardize the theme and equipment of each branch under the modern concept for the development of branch model to Digital Branch. This includes the planning to appoint the Digital Advisor in each branch to facilitate customers to shift to digital channels.

- Pandemic Risk

Due to the spread of COVID-19 around 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 relieved, there are still new variants of COVID-19 virus, which could be more contagious and have more serious health consequences. Meanwhile, the existing vaccines may not provide inclusive 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 its expected credit losses 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. In 2022, the severity of the COVID-19 pandemic tends to decrease. Since the population across the country has been vaccinated more comprehensively, the number of infected people and the severity of the disease are effectively reduced. Various measures have been relaxed by the authorities. The Bank began to resume services at branches and in-store branches as usual, but still maintains administration guidelines during the COVID-19 pandemic in order to be able to operate the business. Details are as follows:

- 2.1 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.

- 2.2 Set up a COVID-19 Hotline Center within the Bank to receive 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.

- 2.3 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. 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.

- 2.4 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.

- 2.5 In performing work, avoid meetings 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 publicizes 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.

• ESG Risk

The Bank places importance on systematic and effective risk management and risk control. In this regard, the Bank has clearly established a risk management framework, policies, guidelines and manuals for enterprise risk management in accordance with the BOT's regulations and the guidelines of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) on COSO ERM Framework. Significantly, the Bank emphasizes on the risk management from environmental, social and governance (ESG) factors, including impacts from climate change risks. This is to ensure that the Bank's risk management system is in line with good international practices, as well as to prepare for the efficient prevention and adaptation to various risks, including enabling the Bank to pursue business opportunities from those risks.

The Bank has established an enterprise risk management process for analyzing, collecting, identifying, assessing and prioritizing the potential environmental, social and governance (ESG) risks that are expected to arise in the future and that will pose a threat towards the achievement of the Bank's goals. The Bank has also established measures to control, monitor and report risks to prevent, control or reduce risks to an appropriate or acceptable level under the appropriateness of budget and environmental conditions from internal and external factors in each period.

In 2022, the Bank has managed ESG risk by establishing the ESG Task Force to identify ESG risk issues that are relevant to the Bank's context, and existing and emerging risks, including clearly defining the definition and scope of risks as well as assessing and prioritizing the relevant ESG risk. There is an appropriate risk matrix assessment, data analysis and the assessment of the emerging risks in terms of their severity, likelihood and impact on the business.

Besides, the Bank has established a credit approval process and set effective risk management guidelines from the processes of customer screening, credit approval that covers ESG risk, together with the risk assessment, control, and monitoring processes at both the customer and portfolio levels. For project finance in industries with significant ESG risk, the Bank has stipulated a framework and guidelines for assessing impacts and managing ESG risk when considering the loan approval. In particular, it requires consideration regarding the ESG impacts through the ESG Checklist Form in addition to other factors for risk management.

Regarding the Bank's assessment of the impacts from climate change or natural disasters, it 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. Details are as follows:

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

As for risks that may affect the customers' ability to operate business and pay debts, the Bank periodically 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 is relieved correspondingly.

- **Cyber Risk**

Currently, the Bank uses technology and information technology systems as the main engine in driving business. Therefore, the Bank further 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 set the regulatory guidelines for Information Technology Risk Management, supervised the Third Party Risk Management and conducted the Cyber Inherent Risk Assessment as well as 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 for the money transfer transactions and technology services to government organizations.
4. Hiring of the 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. Nevertheless, there is a risk management and control under Third Party Risk Management Policy.

In the meantime, the Bank has announced information security policies and procedures and has reviewed information security standards to ensure that they are up to date and in line with and consistent with the Bank of Thailand's requirements or international standards. The IT Steering Committee has been appointed to oversee and supervise the Bank's

information technology risks with the purpose of making recommendations for process improvement and considering the potential risks that may affect the Bank's business operations. This is to build confidence in the Bank's information security system and to comply with the Personal Data Protection Act B.E. 2562 (2019). Strict controls are in place to prevent data from being used without the consent of the data subject.

The Bank has also established guidelines for cyber risk management and security control measures and specified 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 immediately.
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 to 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 the information technology facets 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

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 getting diminished which shall cause adverse effects over the Bank's income and capital funds level. 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. The credit risk management is classified by group of customers as follows:

- **Retail Loans and Small Business Loans**

The Bank has developed and revised underwriting criteria and product programs for retail loans to 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 of the 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 customer level exposures by designing and developing a working process for early risk warning in a timely manner through Early Warning System (EWS). There is three alert system for customer care staff to allow them to adjust management according to the customer's risk level. The system classifies SME-M customers (EWS for SME-M), SME-L customers (EWS for SME-L) and 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-fledged 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 statistical 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

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

If any factor signals an increased risk, a review shall be made before due. It resulted in appropriately monitoring and managing such customer groups' risks by using up-to-date information. The Bank could also increase opportunities to offer appropriate loan products to 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. This also embraces the transactions made with the financial business group to reflect all credit risks of the customers that the Bank and its financial business group are facing. Meanwhile, the Bank has established additional internal guidelines for controlling exposure of major customers at the customer group level. This covers indirect exposure from receiving bonds or debentures issued by such customers to be used as collateral for credit by other customers of the Bank. This is to enhance the Bank's risk control to be more stringent.

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

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

- **Credit Concentration Risk**

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

Besides, the Bank manages country risk by determining a lending limit for each country in order to control the counterparty risks and credit risk, investments, as well as the contingent liabilities for customers or counterparties who have a domicile in foreign countries. The Bank also controls the risks by stipulating to report credit line usage of agencies at the end of every month in order to manage credit usage not to exceed the maximum limit. Additionally, the Bank has a process to assess 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 is a loss arising from the default event of a counterparty in financial contracts. For example, the financial instrument is not traded or the compensation for any damage is not given as agreed. For Over-the-counter such as Derivatives, Purchase and Sale of Securities and Repurchase Agreement (Repo), its risks of a counterparty can cause main risks, namely pre-settlement risk and settlement risk as well as the risk from decrease in credit quality of a counterparty or Credit Valuation Adjustment (CVA) risk.

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

The Bank reduces the risks of counterparties caused from signing International Swaps and Derivatives Association (ISDA) and Credit Support Annex (CSA) with counterparties. These require placement of collateral in the form of cash on a daily, weekly and monthly basis in the event that the fair market value of derivatives 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 amounts. 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 incur loss from changes in value of the position stated in the statements of financial position, caused by fluctuation of interest rate, foreign exchange rate, equity price, and commodity price resulting in negative impact on the Bank's income and capital funds.

The Bank assigns a business unit in Risk Management Group, which is independent from 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 indicators 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 business group 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 2022, 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-balance sheet items of financial position that are rate sensitive items. Such risk might have a negative impact on net interest income, market values of items in trading accounts and other income and expenses related to the interest rate.

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

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

Interest rate risk in a trading book refers to the risk that income or capital funds are negatively impacted due to the change of interest rate affecting debt instrument value and interest rate derivatives in the trading book. However, the Bank has monitored and controlled interest rate risk within acceptable risk appetite by formulating risk limits and indicators, performing stress testing on monthly basis, requiring presenting a risk management report to the top executive on daily basis and to the Risk Oversight Committee on monthly basis. Additionally, there are the formulated support guidelines to ensure the readiness in dealing with the breach of prescribed limits as per approval.

- **Foreign Exchange Rate Risk**

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

- **Equity Price Risk**

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

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

- **Commodity Price Risk**

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 a back-to-back approach.

2.2.4 Operational Risk

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

The Bank oversees operational risk management by adhering to 3 Lines of Defense approach as follows:

First Line of Defense : Business units and business supporting units have a good understanding of risk arising in the work process and risk in their own unit. As risk owners, business units and business supporting units have a duty to identify, assess, control and monitor risks as well as reporting to their respective managers. Each department has an Operational Risk Officer (ORO) who coordinates with the Operational Risk Management Department who oversees operational risks both regarding tool usage and risk management in accordance with the guideline as specified by the Bank.

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

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

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

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

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

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

accordance with the operational risk management guidelines set out in the Bank's operational risk management policy and handbook.

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

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

The Bank has continued to build awareness related to operational risk management by communicating knowledge on operational risk management through e-mail, intranet, video clip and One Krungthai application with a learning assessment test. The results are collected for further improvement of the communication guidelines for the following year.

2.2.5 Other related risks

• Liquidity Risk

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

In 2022, 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, 2022, the Bank's liquid assets, namely, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) was higher than the requirement specified by the BOT.

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

1. Risk Identification

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

2. Risk Measurement

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

3. Risk Trigger and Risk Control

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

4. Risk Monitoring and Reporting

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

In addition, the Bank quarterly conducts liquidity risk stress testing in accordance with the stress testing policy framework of the Bank by using 3 types of situations set up by the Bank, namely (1) Institution-specific crisis, (2) Market-wide crisis and (3) Crisis stemming from a combination of both. In each situation, there shall be an assumption of the withdrawal of each type of customer deposits in different proportions, a decrease of liquidity in the liquid assets market, a decrease of the ability to access large sources of source of funds, etc. Moreover, the Bank has adjusted the data to conform with the actual behavior in both normal and crisis situations. 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 expense/cost.

- **Capital Management**

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

As at 2022-year end, the Bank's capital adequacy ratio (The Bank's Financial Business Group) was 19.8%. 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 Financial Business Group to BOT quarterly and discloses information on capital fund and risks of the Financial Business Group as scheduled on the Bank's website. In this regard, the Bank and its Financial Business Group's capital adequacy was higher than the minimum requirement of BOT.

However, the Bank of Thailand and commercial banks have been considering the revision of risk weighted asset calculation covering credit risk, market risk and operational risk in order to comply with the Framework of Basel Committee on Banking Supervision (BCBS) in the future. In this regard, the Bank has performed Comprehensive Impact Assessment (CIA) in terms of 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, including 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 Key Risk Indicator (KRI) as well as Risk Appetite and Risk Tolerance to use in monitoring risks in accordance with the specified indicators. A report is submitted to the Management Committee (MC) and the Risk Oversight Committee (ROC) on a monthly basis.

- **Strategic Risk**

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

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

- 1) The Bank's measures for strategic risk management are in line with Bank of Thailand's examination guideline and are monitored by the Risk Oversight Committee. Policies and guidelines on strategic risk management are devised and reviewed annually.
- 2) The strategic planning process was comprehensive and in line with the policies stipulated. Procedures and persons involved as well as time frame were clearly specified. Committees and top executives of the Bank and its affiliated companies participated in establishing the strategic plan. Emphasis was placed on reviewing and formulating policy frameworks, visions, missions, strategic plans and the Bank's business plan, which has been approved by the Board of Directors. There was transformation of the plan into actual practice and communication of the

plan to executives of all business units. Meanwhile, the monitoring process is carried out to ensure that they are implemented in order to achieve the goals of the organization.

- 3) The Bank's strategic plan is appropriate for both internal and external environments. It focuses on using real data and analyzing in comparison with the Bank's and peers' targets. SWOT Analysis was performed to determine further strategies to enhance the strengths, rectify the weaknesses, capture business opportunities and prevent any threats from external pressures. These were combined into the Bank's overall strategy, both short term and long term, which responds to Vision, Mission and Core Values of the Bank.
- 4) The Bank monitors and compares its operating performance with the targets regularly, and reports to executives to set strategies to achieve the targets. Action plans are reviewed and adjusted to fit changing conditions.

- **Properties for Sale Risk**

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

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

- **Economic Condition Risk**

The Thai economy expanded by 2.6% in 2022, further recovering from 1.5% in 2021 due to the impact of the rapidly spreading of the mutated virus as the Omicron variants. This caused many countries including Thailand to elevate the level of disease prevention which affected economic activities. In the meantime, the world was still facing volatility from more stringent monetary policy direction of major countries in order to control inflation. On the other hand, with the Russian army's invasion of Ukraine in the first quarter escalating into a protracted war, as well as the retaliation with sanctions on Russia from allied nations, these factors have severely disrupted the supply chains and pushed up commodity prices. Higher-than-expected inflation pressured many central banks to raise interest rates, affecting tighter-than-expected financial conditions. These factors affected the recovery of the Thai economy and resulted in a slower recovery than previously assessed correspondingly. Furthermore, the Thai economic recovery was still fragile and varied from business sectors. Some sectors that were sensitive to international volatility faced difficult situations. Thailand's high inflation rate as commodity prices in the global market remained high compared to pre-epidemic times, coupled with rising import costs following the continued depreciation of the Baht currency and the effect of raising interest rates by the Bank of Thailand for 3 times during the year 2022 (totaling 0.75%), resulted in an increase in the policy rate from 0.50% to 1.25% per annum. Besides, the minimum wage increase and the electricity price increase were all drivers of entrepreneur costs that would be passed on to product prices. With these factors, vulnerable groups such as SMEs, small businesses, unskilled labor, informal workers and some low-income households might not be able to adapt and face greater risks, reflecting the incomplete recovery in the form of "New K-shaped Economy". In particular, the Bank has to closely monitor the economic risks. Additionally, the impact assessment was required to be conducted under a stress test covering various situations that occurred, which shall be able to promptly mitigate the impact on the Bank's business operations.

2.3 Shareholders' Investment Risk

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

performance and dividend payment to shareholders and may cause shareholders not to receive expected returns.

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

In addition, the Financial Institutions Development Fund is the Bank's major shareholder, holding 55% (as of December 31, 2022) of the total issued and paid-up shares. It is able to vote in the shareholders' meeting. However, important agendas affecting the Bank's operations require three-fourths of the votes of the shareholders' meeting, such as amendments to the Memorandum of Association and the Director Company's Articles of Association, an increase/decrease in registered capital. Furthermore, the Bank appointed the Independent Director Committee to be an important part of ensuring that the structure of the Board of Directors and the Management have sufficient checks and balances. Each independent director can express independent opinions, giving conflicting opinions or making any other observations at the Board of Directors' meeting. The objectives are to protect the rights and interests of shareholders and other stakeholders, promoting the operation of the Bank's corporate governance. (As of December 31, 2022, the Bank has 6 Independent Directors out of a total of 12 Independent Directors) Apart from the Independent Director Committee, the Bank also appointed the Audit Committee, which consists of 3 Independent Directors. The Audit Committee focuses on the Bank's internal audit process, financial report review, and considers items that may have conflicts of interest, for transparent business operations.

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

-None-

Part 1 Business Operations and Performance

3. Driving Business for Sustainability

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

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

In addition, Krungthai Bank always adheres to conducting business on the basis of accuracy, transparency, and striving to be a moral organization, along with developing personnel to have knowledge and skills to meet needs in the digital era. This is a key force in driving the organization to have growth and stable progress, maintaining the level of leadership in the banking and finance business, helping improve people's quality of life and striving to develop the country's economy towards Thailand 4.0, which is driven by technology, creativity and innovation. The Bank, as a state-owned commercial bank, will support the Thai people together with perform its sustainable growth.

3.1 Sustainability Management Policies and Goals

The Bank has established policy frameworks, guidelines and sustainability management goals in various dimensions covering Environment, Society, and Governance and Economy. Details are disclosed both on the website and in the 2022 Sustainability Report. The key points are summarized as follows:

Environment

1. Efficient use of resources and environmental management within the Bank's operations, covering energy consumption, electricity consumption, water consumption, waste management as well as Scope 1, 2 and 3 greenhouse gas (GHG) emissions and supporting Thailand's commitment to Carbon Neutrality and Net Zero Emission
2. Environmental responsibility throughout the Bank's value chain, including responsible lending, that is, incorporating sustainability concepts into credit criteria. Additionally, the development of financial products and services are environmentally friendly (Green Lending), leading to a trend of reducing the Bank's Financed Emissions. As a result, this is in line with climate change risk management guidelines.

Society

1. Human resources management, covering labor practice, human capital development, talent attraction & retention, including occupational health & safety, etc.
2. Social responsibility through operations that are in line with market conduct, honest presentation of product and service information to customers as well as developing financial products and services that are comprehensive, diverse, accessible to people at all levels (Financial Inclusion), along with promoting financial literacy
3. Human rights of rights holders related to the Bank's operations, such as employees, customers and business partners, as well as other rights holders who may be affected in the Bank's supply chain
4. Community engagement to improve the quality of life of the community through both the Bank's social projects and projects undertaken by the Bank with partner organizations. The main goals are to support careers that generate stable income, strengthen the financial literacy for communities to be self-reliant in a sustainable manner, along with creating a culture of volunteerism for the Bank's employees.

Governance and Economy

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

2. Corporate governance emphasizes the supervision of the management that has independence and an appropriate balance, including compliance with regulations, rules and requirements and the promotion of a zero-tolerance culture (an anti-corruption culture) within the Bank.

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

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

3.2 Managing impact on stakeholders in the business value chain

3.2.1 Business value chain

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

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

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

3.2.2 Analysis of Stakeholders in Business Value Chain

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

1. Employees
2. Customers
3. Shareholders
4. Regulatory agencies
5. Partners and business partners
6. Creditors
7. Competitors
8. Society and environment

The Bank believes that sustainable growth requires mutual benefits that are in line with the expectations of all stakeholders. Therefore, the process framework, frequency, and practice guidelines for stakeholders have been established as follows:



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

Stakeholder	Process	Frequency	Stakeholder Needs	Guideline
Shareholders	<ul style="list-style-type: none"> - Arrange the Annual General Meeting for shareholders to understand the Bank's policy and answer questions at the meeting - Arrange One-on-One Meeting - Hold the meeting with analysts and local institutional fund managers - Arrange investor roadshow - Disclosure of important information, news and financial information through the Bank's website 	<ul style="list-style-type: none"> - Arrange the Annual General Meeting for shareholders once a year - Arrange One-On-One meeting throughout the year - Arrange investor roadshow 2 times - Hold the meeting with analysts and institutional fund managers every quarter 	<ul style="list-style-type: none"> - Transparency and disclosure standard to shareholders 	<ul style="list-style-type: none"> - Strictly comply with the law and operate in accordance with good corporate governance principles. - Disclose information to the Stock Exchange of Thailand and regularly disclose financial information through various channels such as meetings and the Bank's website.
Regulatory agencies	<ul style="list-style-type: none"> - Issuing new regulations - Meeting to acknowledge policies and regulatory guidelines - Receiving audit from regulatory agencies - Disclosing information and submitting reports in accordance with the specified criteria, as well as opening to feedback 	<ul style="list-style-type: none"> - Throughout the year according to time frame of each business unit 	<ul style="list-style-type: none"> - Participate in providing comments on the draft announcement - Comply with the newly issued regulations. - Conduct business in compliance with laws, regulations, and manage the operations efficiently - Security of the Bank's work system - Transparency of the organization and its work system - Provide services to customers fairly 	<ul style="list-style-type: none"> - 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 - Code of conduct for fair and transparent business operations - Strictly comply to the Bank's regulations - Propose suggestions, observations and feedback from regulatory agencies to handle and improve work process to align with international standard
Partners and business alliances	<ul style="list-style-type: none"> - Open to suggestions, problems and complaints through the merchant registration system on the Bank's website (Krungthai.com) - Organization survey 	<ul style="list-style-type: none"> - Operate all the time - Operate once a year 	<ul style="list-style-type: none"> - A clear procurement policy of the Bank - Cooperation and coordination to achieve mutual goals - Fair, transparent, and auditable procurement 	<ul style="list-style-type: none"> - Stipulate clear procurement regulations and policy with complete information - Process a fair, transparent and auditable procurement - Perform in accordance with trade conditions and agreement - Not accept gifts, gratuities and both private or group entertainment - Optimize operational processes

Stakeholder	Process	Frequency	Stakeholder Needs	Guideline
Creditors	<ul style="list-style-type: none"> - Provide investment information such as interest rates. - Open to suggestions through telephone and email. - Information disseminated through the Bank's website/ branches 	<ul style="list-style-type: none"> - Operate on appropriate occasions throughout the year. 	<ul style="list-style-type: none"> - Timely interest and debt payment - Compliance with contract requirements - Transparent and straightforward communication and disclosure on a regular basis 	<ul style="list-style-type: none"> - Pay interest and repay debts, as well as comply with specified conditions. - Provide communication channels to listen to suggestions and provide accurate and complete information on a regular basis.
Competitors	<ul style="list-style-type: none"> - Discuss and exchange ideas through public and semi-public forums organized by relevant organizations or associations. - Listen to/receive complaints through Whistleblowing channel (Email : whistle@krungthai.com) 	<ul style="list-style-type: none"> - Operate on occasions throughout the year. 	<ul style="list-style-type: none"> - Respecting and complying with rules related to fair business competition - Refraining from attacking competitors or doing any act that provides ambiguous information to the extent that competitors lose credibility. - Not preventing customers from switching to other banks to the extent that it is appropriate. 	<ul style="list-style-type: none"> - Conduct business under the framework of honest competition, transparency and fairness.
Society and environment	<ul style="list-style-type: none"> - Public hearing process as part of the Bank's strategy and CSR activities plan - Take into account both positive and negative impacts on society and the environment as part of the Bank's performance assessment. 	<ul style="list-style-type: none"> - Receive feedback from the community at all events throughout the year. 	<ul style="list-style-type: none"> - Uplift better quality of life through community management, financial knowledge and products and services that meet the standard quality 	<ul style="list-style-type: none"> - The Bank has conducted on-site visits to communities to find out the needs as follows: <ol style="list-style-type: none"> 1. Training 2. Study visit 3. On-site visits with specialist to establish a development plan 4. Organize activities for development and practical experience 5. Performance assessment



3.3 Environmental Sustainability Management

The Bank's policies, guidelines and performance regarding the environment management are disclosed on the website and in the 2022 Sustainability Report, with some key points as follows:

- **Efficient Use of Resources**

The Bank places importance on efficient resource utilization and waste elimination according to the 3R principles, namely Reduce, Reuse, and Recycle. The Bank is also considering ways to reduce energy consumption and pollution caused by transportation and business travels, including setting targets and defining energy conservation practices for the Bank to take action to reduce energy consumption. In particular, the Bank encourages all employees to realize the importance of energy conservation, so that they can help change the organization's culture of energy consumption to be more efficient and sustainable. The Bank has included environmental risks as part of its risk assessment and has also initiated environmental management training courses for all employees. Furthermore, the Bank encourages waste segregation and installed different types of waste bins both at the head office buildings and the main buildings. In addition, the Bank has implemented a project to transform food waste into soil, which could eliminate 100% of food waste in the headquarters building's canteen, by distributing the soil to employees and the community for planting vegetables and trees. This could also reduce greenhouse gas emissions respectively.

- **ESG Risks Management**

The Bank places importance on systematic and effective risk management and risk control. In this regard, the Bank has clearly established a risk management framework, policies, guidelines and manuals for enterprise risk management in accordance with the BOT's regulations and the guidelines of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) on COSO ERM Framework. Significantly, the Bank emphasizes on the risk management from environmental, social and governance (ESG) factors, including impacts from climate change risks. This is to ensure that the Bank's risk management system is in line with good international practices, as well as to prepare for the efficient prevention and adaptation to various risks, including enabling the Bank to pursue business opportunities from those risks.

The Bank has established an enterprise risk management process for analyzing, collecting, identifying, assessing and prioritizing the potential environmental, social and governance (ESG) risks that are expected to arise in the future and that will pose a threat towards the achievement of the Bank's goals. The Bank has also established measures to control, monitor and report risks to prevent, control or reduce risks to an appropriate or acceptable level under the appropriateness of budget and environmental conditions from internal and external factors in each period.

In 2022, the Bank has managed ESG risks by establishing the ESG Task Force to identify ESG risk issues that are relevant to the Bank's context, and existing and emerging risks,

including clearly defining the definition and scope of risks as well as assessing and prioritizing the relevant ESG risks. There is an appropriate risk matrix assessment, data analysis and the assessment of the emerging risks in terms of their severity, likelihood and impact on the business.

Besides, the Bank has established a credit approval process and set effective risk management guidelines from the processes of customer screening, credit approval that covers ESG risks, together with the risk assessment, control, and monitoring processes at both the customer and portfolio levels. For project finance in industries with significant ESG risks, the Bank has stipulated a framework and guidelines for assessing impacts and managing ESG risks when considering the loan approval. In particular, it requires consideration regarding the ESG impacts through the ESG Checklist Form in addition to other factors for risk management.

Regarding the Bank's assessment of the impacts from climate change or natural disasters, it 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. Details are as follows:

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

As for risks that may affect the customers' ability to operate business and pay debts, the Bank periodically 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 is relieved correspondingly, and impact reports, including

damage surveys, are conducted to consider providing remedial measures to help customers or adjust the risk level of the customer, industry, or region and have to be monitored until the situation improves.

- **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 small entrepreneurs (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.

3.4 Social Sustainability Management

The Bank has policies, guidelines and performance regarding the social sustainability management, which are disclosed on the website and in the 2022 Sustainability Report, with some key points as follows:

- **Human Resource Management**

The Bank is determined to drive its mission and vision towards creating sustainable growth - "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 nowadays.

- **Social Responsibility**

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 before making a decision and offer no forced sales. Moreover, the Bank has organized training on market conduct matters 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.

- **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.

- **Respect for 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 (UNGPs) 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.

- **Engagement to Improve the Quality of Life of the Community**

The Bank believes that communities with strong economic foundations will help community members to have quality lives. The Bank also acts as a key mechanism to drive the economy, society and environment concurrently. Therefore, the Bank has established a CSV Framework that aims to support the better quality of life of the community through fostering a career that generates stable income while supporting financial literacy and positive financial values and attitudes. The purpose is to increase the skills and potential of community members in solving problems and dealing with various situations, both at individual level, household level and community level to ensure sustainable self-reliance of all parties.

The Bank's guidelines for creating shared values with society focus on the sustainable development in 4 dimensions, consisting of:

1. Community development to be a social enterprise
2. Creation of positive impacts for a sustainable environment
3. Creation of sustainable society through the financial literacy
4. Creation of a culture of volunteerism for employees and the public



Part 1 Business Operations and Performance

4. Management Discussion and Analysis : MD&A



Economic Overview

The Thai economy expanded by 2.6% in 2022, further recovering from 1.5% in 2021, mainly driven by the continuing expansion of exports that gained momentum from reopening of economic activities in trading partner countries after easing pandemic situation. At the beginning of 2022, Thailand was affected by the highly transmissible Omicron variant that prompted the authorities to step up containment measures, along with additional monetary and fiscal supports to alleviate negative impact and support domestic spending. However, the speed-up of booster vaccine rollout as well as a better preventive measures helped Thailand to be able to reopen border for international tourists since July 2022, which then has revitalized tourism sectors. The number of foreign tourist arrivals in 2022 accelerated to reach a higher-than-expected figure of 11.1 million. It also resulted in a gradual resumption of domestic activities to normal operation in the second half of 2022. However, the protracted Russia-Ukraine war and sanctions against Russia by allies caused an intensifying supply disruption and exacerbated commodity price hike, especially in Europe which has been struggling with energy

shortages. These factors worsened the elevated inflation to be more persistent than anticipated in many countries. Several western major central banks needed to raise interest rates with a faster and steeper pace to tame inflation. Furthermore, China's economic growth was limited by sporadic lockdowns under zero-Covid policy and prolonged liquidity crunch in real estate sectors. These external factors weakened the global economy and put a downward pressure on Thai exports in the second half of the year. The monthly export growth over the previous year from October to December 2022 turned negative for 3 consecutive months. Meanwhile, some Thai businesses partly suffered from higher import costs following the depreciated movement in the average value of Thai baht over the year 2022. In addition, the electricity cost and the minimum wage rate were lifted. All of these factors heightened costs and contributed to high inflation. Headline inflation rate for 2022 reached 6.1%, the highest record in 24 years, and well above the Bank of Thailand's inflation target range. Given these conditions, the Bank of Thailand gradually raised the policy interest rate to curb inflation. In 2022, the policy interest rate was hiked from 0.50% to 1.25%.

The Bank and Its Subsidiaries' Overview Performance

The Bank and Its Subsidiaries' Performance for Year of 2022

In 2022, the Thai economic recovery underway, driven mainly by the expansion of exports, the reopening of economic activities in second half of 2022 as well as the revitalized tourism sectors after the reopening border for international tourists since July 2022 despite the surge in local inflation, the protracted Russia-Ukraine war caused an exacerbated energy cost hike. The Monetary Policy Committee gradually raised the policy rate 3 times in August, September and November 2022 in total of 0.75%. With consideration to alleviate living cost as well as to smoothen the increase of financial burden for the vulnerable groups of customers, the Bank had gradually raised its interest rates for a smooth take off and continued to focused on the specific measures to vulnerable groups of customers, depending on business' financial needs and potential business upturn upon economic recovery to their sustainable growth prospect as well as to upheld the income of depositor for the stable long term saving for depositor.

In 2022, KTB's consolidated net profit attributable to equity holders of the Bank was Baht 33,698 million, an increase of 56.1% YoY due to an increase in total operating income of 8.3% YoY from net interest income resulting from a quality loan growth of a 4.3% YTD expansion excluding government loans and an interest rate hike impact. Additionally, net fee and service income and other non-interest income increased continuously with the Bank's effective comprehensive operating cost management, its cost to income ratio registered at 43.68%, decreased from 45.54% in the same period of last year, though an increase of operating expenses as a result of others expense relating to the ongoing service enhancement to customers. The consolidated expected credit loss decreased by 25.2% YoY with regard to its prudent asset quality management and attentive consideration of various factors relating to business environment and economic uncertainties along with its closely monitoring on asset quality with its NPLs Ratio-Gross at 3.26%, decreased from 3.50% as at December 31, 2021, whilst maintaining high coverage ratio at 179.7%.

As at December 31, 2022, the Bank and the Financial Business Group's Tier 1 capital was Baht 355,870 million (16.69% of its RWA). Total capital was Baht 422,094 million (19.80% of its RWA) maintaining at a strong level as compared to BOT's requirement. In April 2022, the Bank issued Tier II Subordinated Notes in amount of Baht 18,080 million, as a preparation to replace the early redemption to Tier II Subordinated Notes in amount of Baht 20,000 million in November 2022 in order to maintain its strong Tier II capital level for the opportunity to expand its business as the future competitive landscape.

In 2022, the Bank determined conduct its business with innovation and technology to serve Thai population's new normal lifestyle in all aspects including **Payment services**: "Paotang Pay", a super-wallet for the younger generation to fulfill our service to all customer base, "Point Pay" project, a collaboration with Advanced Info Service Public Co. Ltd. (AIS), Bangchak and KTC, allow AIS, Bangchak and MAAI by KTC's customers to use their reward points instead of cash on the "Tung Ngern" application and to help small merchants across the country be able to sell more products. **Saving and investment**: with a successful launch of digital saving and investment on Pao Tang application with recorded fastest time of full subscription. In 2022 the Bank offered 8 digital bonds worth of Baht 26 billion, 2 tranches of SBM Wallet saving bond worth Baht 25 billion and Gold wallet, a collaboration with 3 partners namely MTS Gold Mae Thongsuk, YLG and Aurora, with more than 150,000 accounts. **Services supporting the Government**: the Bank developed a 24-hour e-complaint filing for trading online for Civil Court, cooperated with the Customs Department to develop the "Online Visitor Registration System via Customs Trader Portal" to facilitate juristic person for registration and verify their identity as the first time in the country, collaborated with Comptroller General's Department to launch e-GP Transformation for Thailand's Future service to increase federal government procurement, developed Health Wallet for civil servant to access their public health services in real time and signed a Memorandum of Understanding (MOU) to support Ministry of Tourism & Sports to collect the tourism fee from all foreign passport holders visiting Thailand. Importantly, the Bank developed our ATM feature to support the accessibility functions for the visually impaired to improve their quality of life on accessing financial service conveniently and equality. From the development of such product and services that serve customer needs in all aspects, mobile application users had expanded for all applications with Pao Tang of more than 40 million users, Krungthai NEXT of 16 million users, Krungthai Connex of 18 million users and Tung Ngern application users of 1.7 million merchants at end of 2022.

Based on Krungthai Compass's view, the Thai economy is projected to continue growing at 3.4% in 2023, mainly driven by tourism sector as the key economic driver going forward amid the challenges from downward pressure of global economy, exacerbated commodity price hike following the energy price, electricity cost and upward interest rate in the market. Consequently, the Bank continues to conduct the prudent business operation management, assists the vulnerable groups of customers on doing business upon economic recovery, enhances its of financial product and services ability to serve customer needs, uplifts Thai living standard along with its responsibility to Environment, Social and Governance (ESG) and integrating the Sustainable Development Goals (SDG) to be a part of its business operation as thoroughly and equality under its vision as "Growing Together for SUSTAINABILITY"

The Bank and Its Subsidiaries' Performance for the Year Ended December 31, 2022

Overview Operating Income and Net Profit

	2022	2021	Unit : Million Baht
			Change %
Net interest income	90,405	83,372	8.4
Net fee and service income	20,316	20,022	1.5
Other non-interest income	14,670	12,392	18.4
Total operating income	125,391	115,786	8.3
Total other operating expenses	54,770	52,731	3.9
Pre-provision profit ⁽¹⁾	70,621	63,055	12.0
Expected credit losses	24,338	32,524	(25.2)
Operating profit before income tax expenses	46,283	30,531	51.6
Income tax expenses	9,077	5,975	51.9
Net Profit	37,206	24,556	51.5
Net profit (attributable to equity holders of the Bank)	33,698	21,588	56.1
ROA (%) ⁽²⁾	0.94	0.63	
ROE (%) ⁽²⁾	9.15	6.14	

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

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

In Y2022, KTB's consolidated pre-provision profit was Baht 70,621 million, an increase of 12.0% YoY due to an increase in total operating income of 8.3% YoY. Such uplift was attributable to net interest income from loan resulting from a quality loan growth especially in private corporate and retail loans of 4.3% YTD expansion excluding government loans and an interest rate hike impact. Additionally, net fee and service income and other non-interest income increased continuously with the Bank's effective comprehensive operating cost management, cost to income ratio registered at 43.68%, decreased from 45.54% in the same period of last year, though an increase of operating expenses as a result of others expense relating to the ongoing service enhancement to customers. The Bank and its subsidiaries has prudently set aside the expected credit loss with attentive consideration various factors in the business environment, though decreased by 25.2% YoY, whilst maintaining high coverage ratio given the economic uncertainties; hence, consolidated net profit attributable to equity holders of the Bank was Baht 33,698 million, an increase of 56.1% YoY.

Net Interest Income

Unit : Million Baht			
	2022	2021	Change
			%
Interest income	113,475	104,832	8.2
- Interbank and money market items	4,338	2,954	46.8
- Investments and trading transactions	217	345	(36.9)
- Investment in debt securities	4,246	3,437	23.6
- Loans	104,302	97,932	6.5
- Hire purchase and financial lease	111	104	6.2
- Others	261	60	334.5
<u>Less</u> Interest expense	23,070	21,460	7.5
- Deposits	9,651	10,302	(6.3)
- Interbank and money market items	1,904	1,607	18.5
- Contributions to BOT and DPA	6,443	6,145	4.9
- Debts issued	4,806	3,324	44.4
- Others	266	81	236.2
Net interest income	90,405	83,372	8.4
Earning Asset Yield (%) ⁽¹⁾	3.27	3.13	
Cost of Fund (%) ⁽¹⁾	0.76	0.73	
Net interest margin (based on earning assets) (%) ⁽¹⁾	2.60	2.49	

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

In Y2022, consolidated net interest income amounted at Baht 90,405 million, increased by 8.4% YoY, mainly due to a quality loan growth, an interest rate impact from 3 times policy rate hikes in the second half of 2022 as well as 2 times increase in Bank's loan rate in October and December 2022 together with the increase in fixed-deposit rates. Hence, NIM registered at 2.60%, increased from 2.49% in Y2021.

Change of interest rate

	3 Jan 2023	4 Oct 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021
Policy Interest Rate (%)	1.250%	1.000%	0.500%	0.500%	0.500%	0.500%
Deposit Rate (%) ^{(1) (2)}						
- Savings Rate	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%
- 3 Months Fixed Rate	0.620%	0.470%	0.320%	0.320%	0.320%	0.320%
- 6 Months Fixed Rate	0.700%	0.550%	0.400%	0.400%	0.400%	0.400%
- 12 Months Fixed Rate	1.000%	0.700%	0.400%	0.400%	0.400%	0.400%
Loan Rate (%) ⁽³⁾						
- MLR	6.150%	5.500%	5.250%	5.250%	5.250%	5.250%
- MOR	6.720%	6.070%	5.820%	5.820%	5.820%	5.820%
- MRR	6.770%	6.220%	6.220%	6.220%	6.220%	6.220%

(1) Standard deposit rate for individuals.

(2) The Bank raised fixed deposit rate, effective from October 4, December 9, 2022 and January 3, 2023.

(3) The Bank raised loan rate on MLR and MOR, effective from October 4; raised MLR, MOR and MRR, effective from December 9, 2022 and January 3, 2023.

In 2022, The Monetary Policy Committee (MPC) projected the continued recovery of Thai economic, thus, announced the raise policy rate by 0.25% for three meetings MPC meeting on August 10, September 28, and November 30, 2022 in total of 0.75% to 1.25%. A gradual policy normalization remains an appropriate course for monetary policy under the monetary policy framework with objectives of maintaining price stability, supporting sustainable and full-potential economic growth, and preserving financial stability together supporting SMEs in some slow recovery sectors and some low-income households as vulnerable groups.

With considering to alleviate the living cost as well as smoothen the increase of financial burden for the vulnerable groups, the Bank had gradually raised its interest rates for a smooth take off. Fixed-deposit rates were uplifted on October 4, and December 9, 2022 amid the increase lending rates of MLR and MOR on October 4, and December 9, 2022 in total of 0.50% to 5.75% and 6.32% per annum respectively in response to the upward policy rate whereas an increase of MRR at 0.15% to 6.37% per annum on December 9, 2022, lower than the policy rate hike.

In addition, BOT rose FIDF rate to the normal rate at 0.46% per annum, effective from January 1, 2023, from previous FIDF rate at 0.23% per annum as the lowered FIDF rate for financial institution to pass the lower interest rate through the private sector and individual. Thus, the Bank cut all M-rate on loans at 0.40% per annum in response to FIDF fee rate cut.

As a consequence of the upward FIDF rate, the Bank eventually decided to reflect its higher financial cost through the raise of all M-rate on loans; MLR, MOR and MRR at 0.40%, the reversal to the earlier lowered FIDF rate, to 6.15%, 6.72% and 6.77% per annum respectively, effective from January 3, onwards.

Besides, on January 25, 2023, the MPC has announced an increase of policy rate by 0.25% to 1.50% as the Thai economy is projected to continue growing. Consequently, the Bank raised the interest rates to be in line with the domestic interest trends. The deposit rates was increased by 0.05 - 0.25% per annum for the long-term savings encouragement whilst an increase lending rate of MLR by 0.20% to 6.35% p.a., MOR by 0.15% to 6.87% p.a., and MRR by 0.10% to 6.87% p.a., effective from February 1, 2023 onwards.

Net Fee and Service Income

Unit : Million Baht			
	2022	2021	Change
			%
Fee and service income	28,096	28,310	(0.8)
Less Fee and service expense	7,780	8,288	(6.1)
Net fee and service income	20,316	20,022	1.5

In Y2022, KTB's consolidated net fee and service income was Baht 20,316 million, rose by 1.5% YoY, mainly owing to a continual expansion of bancassurance fee.

Total Other Operating Income

Unit : Million Baht			
	2022	2021	Change
			%
Gains (loss) on financial instruments measured at fair value through profit or loss	5,233	3,467	50.9
Gain (loss) on investments, net	239	711	(66.4)
Share of profit (loss) from investments for using equity method	1,095	1,046	4.6
Dividend income	352	379	(7.2)
Other income	7,751	6,789	14.2
Total other operating income	14,670	12,392	18.4

In Y2022, KTB's consolidated total other operating income was Baht 14,670 million, an increase of 18.4% YoY, mainly due to gains on financial instruments measured at fair value through profit or loss resulting from market situation and other income from bad debt recovery.

Other Operating Expenses

Unit : Million Baht			
	2022	2021	Change
			%
Employees' expenses	25,763	27,311	(5.7)
Premises and equipment expenses	9,644	9,017	7.0
Taxes and duties	4,054	3,915	3.6
Impairment loss of properties for sale	1,313	2,084	(37.0)
Others ⁽¹⁾	13,996	10,404	34.5
Total other operating expenses	54,770	52,731	3.9
Cost to income ratio (%)	43.68	45.54	

(1) Including Directors' remuneration

In Y2022, with the Bank effective comprehensive operating cost management, KTB's consolidated cost to income ratio registered at 43.68%, decreased from 45.54% in the same period of last year. Other operating expenses was Baht 54,770 million, increased by 3.9% YoY, mainly owing to an increase of other expense, marketing expenses and IT relating cost for the ongoing service enhancement to customers.

Expected credit losses

Unit : Million Baht			
	2022	2021	Change
			%
Expected credit losses ⁽¹⁾	24,338	32,524	(25.2)

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

In Y2022, the Bank and its subsidiaries has prudently set aside the expected credit loss in amounted Baht 24,338 million, though decreased by 25.2 % YoY, whilst maintaining high coverage ratio at 179.7%, compared to 168.8% as at December 31, 2021.

The Bank and Its Subsidiaries' Financial Status as at December 31, 2022

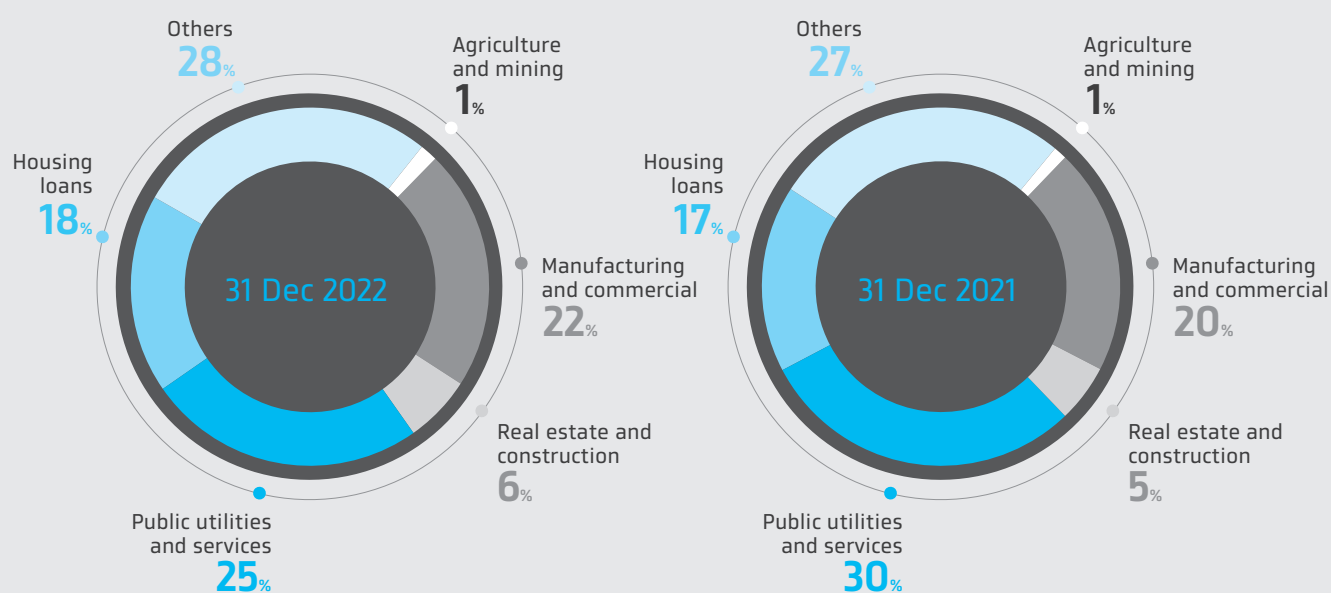
Financial Assets and Investments, Net

The Bank's consolidated financial assets measured at fair value through profit or loss and net investment were Baht 310,623 million as at December 31, 2022, compared to Baht 360,081 million as at December 31, 2021. Financial assets measured at fair value through profit or loss and net investments comprised of government and SOE securities 61%, private enterprise and foreign debt securities 33% and marketable equity securities 6%.

Consolidated Financial Statements	31 Dec 2022	31 Dec 2021	Unit : Million Baht Change
			%
Financial assets measured at fair value through profit or loss	33,568	18,039	86.1
Investment, net	277,055	342,042	(19.0)
- Investment in debt securities measured at amortized cost	950	1,599	(40.6)
- Investment in debt securities designated to be measured at fair value through other comprehensive income	258,350	322,190	(19.8)
- Investment in equity securities designated to be measured at fair value through other comprehensive income	17,755	18,253	(2.7)
Total financial assets and investments, net	310,623	360,081	(13.7)

Loans to Customers

Loan breakdown by type of business



The Bank's consolidated loans to customers excluding government loans grew at 4.3% compared to the end of 2021, due to the private corporate and retail customers. Consolidated loans to customers was Baht 2,592,838 million, decreased by 1.4% compared to the end of 2021.

Consolidated Financial Statements	Unit : Million Baht		
	31 Dec 2022	31 Dec 2021	Change
			%
Loans to customers	2,593,370	2,629,259	(1.4)
<u>Less</u> Deferred revenue	532	296	79.6
<u>Add</u> Accrued interest receivables	25,372	20,579	23.3
<u>Less</u> Allowance for expected credit losses	174,378	173,322	0.6
Loans to customers and accrued interest receivables, net	2,443,832	2,476,220	(1.3)

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

Unit : Million Baht

Consolidated Financial Statement	31 Dec 2022		31 Dec 2021		Change
	Amount	(%)	Amount	(%)	%
Private Corporate	736,516	28.4	708,654	27.0	3.9
Government and State Enterprise	427,429	16.5	553,041	21.0	(22.7)
SMEs	317,632	12.2	327,724	12.5	(3.1)
Retail	1,111,433	42.9	1,039,448	39.5	6.9
- Housing	472,640	18.2	445,012	16.9	6.2
- Personal	566,714	21.9	531,035	20.2	6.7
- Credit card	69,174	2.7	59,953	2.3	15.4
- Leasing	2,905	0.1	3,448	0.1	(15.7)
Others	360	0.0	392	0.0	(8.2)
Total loans (per F/S)	2,593,370	100	2,629,259	100	

Asset Quality

Loan classification and expected credit loss

Unit : Million Baht

Consolidated Financial Statement	31 Dec 2022	31 Dec 2021
1. Gross NPL ⁽¹⁾	101,096	106,809
2. Gross NPL Ratio	3.26%	3.50%
Allowance for Expected Credit Losses (total) ⁽²⁾	181,637	180,311
3. Coverage Ratio ⁽³⁾	179.7%	168.8%

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

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

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

Unit : Million Baht

Consolidated Financial Statement	31 Dec 2022		31 Dec 2021	
	Loans and Accrued Interest Receivables ⁽¹⁾	Allowance for Expected Credit Losses ⁽²⁾	Loans and Accrued Interest Receivables ⁽¹⁾	Allowance for Expected Credit Losses ⁽²⁾
Loan Classification				
- Performing	2,289,507	44,720	2,306,478	44,722
- Under - performing	217,522	52,526	228,443	48,923
- Non - performing	108,732	76,508	111,422	77,334
- Lifetime ECL - simplified approach ⁽³⁾	2,449	624	3,199	2,343
Total	2,618,210	174,378	2,649,542	173,322

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

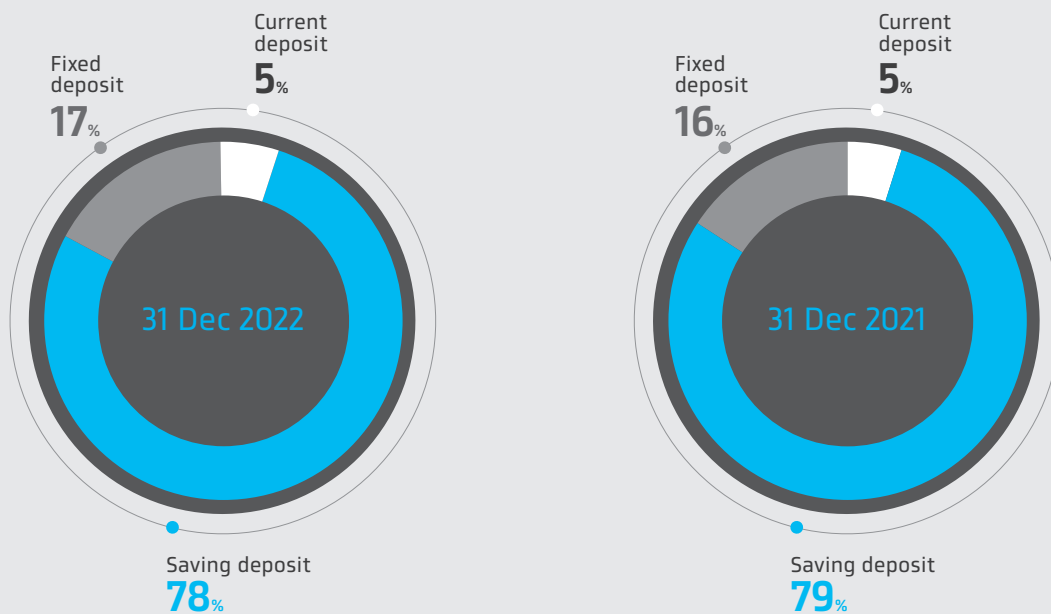
(2) Allowance for expected credit losses for loans to customers (including loss from criteria change) per financial statements

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

The Bank's consolidated NPL-Gross as at December 31, 2022 amounted Baht 101,096 million, NPLs Ratio-Gross of 3.26%, reduced from 3.50% as at December 31, 2021, a controllable asset quality level as a result of its prudent asset quality management. The additional expected credit losses were attentive set aside to maintain the high level of coverage ratio given the economic uncertainties along with its closely monitoring asset quality. As at December 31, 2022, the consolidated coverage ratio stood at 179.7%, compared with 176.4% as at September 30, 2022 and 168.8% as at December 31, 2021.

Deposits

Deposits breakdown by types



The Bank's consolidated deposits was Baht 2,590,236 million, reduced by 0.9% from December 31, 2021 due to a decrease of saving deposits. Hence, the portion of current deposit and savings deposit to total deposit (CASA) accounted at 83%. The Bank's consolidated loans to customers (less deferred revenue)-to-deposits ratio (L/D ratio) of 100.10%, relatively stable YTD.

Sources and Uses of Funds

Unit : Million Baht

	31 Dec 2022		31 Dec 2021		Change
	Amount	(%)	Amount	(%)	%
Net Interbank and money market items (asset)	550,941	15.3	469,216	13.2	17.4
Financial assets measured at fair value through profit or loss	33,568	0.9	18,039	0.5	86.1
Net investments and net investments in associates	289,375	8.1	364,017	10.2	(20.5)
Loans to customers (less deferred revenue)	2,592,838	72.2	2,628,963	73.9	(1.4)
<u>Less</u> Allowance for expected credit losses	174,378	4.9	173,322	4.8	0.6
Other assets	300,075	8.4	249,831	7.0	20.1
Total Asset	3,592,419	100	3,556,744	100	1.0
Deposits	2,590,236	72.1	2,614,747	73.5	(0.9)
Net Interbank and money market items (liabilities)	277,099	7.7	296,344	8.3	(6.5)
Debt issued and borrowings	151,172	4.2	133,817	3.8	13.0
Other liabilities	181,340	5.1	137,725	3.9	31.7
Total equity	392,572	10.9	374,111	10.5	4.9
- Equity holders of the Bank	376,305	10.5	360,052	10.1	4.5
- Non-controlling interest	16,267	0.4	14,059	0.4	15.7
Total liabilities and equity	3,592,419	100	3,556,744	100	1.0
Loans to customers (less deferred revenue)-to-deposits ratio (%)	100.10		100.54		

As at December 31, 2022, the Bank's consolidated major source of funds was 72.1% deposits; and the other source of funds as equity, interbank borrowings, and debt issued and borrowings. In April 2022, the Bank issued Tier II Subordinated Notes in amount of Baht 18,080 million, as a preparation to replace the early redemption of Tier II Subordinated Notes in amount of Baht 20,000 million in November 2022. The Bank's consolidated use of funds comprised of 72.2% loans to customers (less deferred revenue), 15.3% net interbank and money market items, and 8.1% net investments and net investments in associates.

Equity

The total equity (equity holders of the Bank) as at December 31, 2022 was Baht 376,305 million, increased 4.5% from December 31, 2021.

Book value per share (equity holders of the Bank) was Baht 26.91 per share increased from Baht 25.75 per share at December 31, 2021.

Statutory Capital Fund

Statutory Capital Fund (Bank and the Financial Business Group)

Unit : Million Baht

Bank and the Financial Business Group ⁽¹⁾	31 Dec 2022 ^{(3) (4)}		31 Dec 2021		The minimum rate required % ⁽²⁾
	Amount	%	Amount	%	
Common Equity Tier 1 capital	335,601	15.74	328,180	15.89	>8.000
Tier 1 capital	335,807	16.69	348,252	16.86	>9.500
Tier 2 capital	66,224		67,296		
Total capital fund	422,094	19.80	415,548	20.12	>12.000
Risk-weighted assets	2,132,096		2,065,350		

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

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

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

⁽⁴⁾ Capital adequacy ratio is prepared by adjusting deferred tax assets less allowance for deferred tax assets.

Statutory Capital Fund (The Bank's Financial Statements)

Unit : Million Baht

The Bank's Financial Statements ⁽¹⁾	31 Dec 2022 ⁽²⁾		31 Dec 2021		The minimum rate required % ⁽¹⁾
	Amount	%	Amount	%	
Common Equity Tier 1 capital	319,896	15.59	309,038	15.60	>8.000
Tier 1 capital	338,543	16.50	327,685	16.54	>9.500
Tier 2 capital	65,317		66,310		
Total capital fund	403,860	19.68	393,995	19.88	>12.000
Risk-weighted assets	2,051,798		1,981,545		

⁽¹⁾ According to BOT's regulation, the minimum capital ratios of Commercial Banks in Thailand will be increased to absorb capital conversation buffer until the capital buffer ratio of more than 2.50% is reached on January 1, 2019. Moreover, KTB was named as the one of the Domestic Systemically Important Banks (D-SIBs) (TTB is identified as one of domestic systemically important banks as prescribed by the Bank of Thailand in August 2021) requiring to hold all capital ratios to absorb higher loss absorbency of additional 1% of risk-weight assets from January 1, 2020 onwards (reference to the BOT Notification Sor.Nor.Sor. 16/2560 and 17/2560)

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

As at December 31, 2022, the Bank and the Financial Business Group's Common Equity Tier 1 was Baht 335,601 million (15.74% of its RWA) and Tier 1 capital was Baht 355,870 million (16.69% of its RWA). Total capital was Baht 422,094 million (19.80% of its RWA).

As at December 31, 2022, the Bank's Common Equity Tier 1 was Baht 319,896 million, Tier 1 capital was Baht 338,543 million and Total capital was Baht 403,860 million (15.59%, 16.50% and 19.68% of its RWA).

In April 2022, the Bank issued Tier II Subordinated Notes in amount of Baht 18,080 million, as a preparation to replace the early redemption of Tier II Subordinated Notes in amount of Baht 20,000 million in November 2022 in order to maintain its strong Tier II capital level for the opportunity to expand its business as the future competitive landscape.

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.

• Forwards looking

Thailand's economy is expected to gradually recover in 2023, but there are numerous risk factors remained. The expansion is projected to grow by 3.4 percent, primarily due to the tourism sector. In the baseline scenario, about 22.5 million foreign tourists are expected to make a visit in 2023. However, some risk factors may result in fewer foreign tourists than estimated and affect lower economic projections than anticipated. For example, risk from stable energy prices that are at a high level and tend to be pressured by geopolitical conflicts that may intensify, whereas it will also interrupt the recovery of the airline business and its increased number of flights, including the risk from the potential uncertainty of mutant viruses, and China's Zero-COVID Policy respectively. In addition to the aforementioned factors, the tendency of the global economic slowdown remains a major risk factor for the Thai economy. Some economic zones are predicted to enter recession in 2023 as a result of tightening financial conditions as central banks around the world continue to raise interest rates to combat inflation. On the other hand, the cost of goods may continue to stay high due to the ongoing Russia-Ukraine conflict. Such factors will cause a noticeable sluggishness in global trade, affecting Thailand's export sector, in which the value of exports tends to grow by only 0.7%. Therefore, the tourism industry will be the sole driving force of Thailand's economic recovery in 2023, causing it to be unable to fully recover. Meanwhile, the new challenges arising from policy normalization, especially financial measures, are awaited to be confronted. Starting from January 2023, the Bank of Thailand requires banks to resume making contributions of the FIDF fee at a normal rate of 0.46% percent of their deposits, as well as gradually raising the policy interest rate. This will result in the loan interest rate adjusting accordingly. In this regard, the minimum MLR of 5 large commercial banks increased by 0.4% to 6.15% in January 2023. Amid such rising interest rates, businesses are subject to cost pressures from the electricity, wages, and raw materials. Besides, there are also signs of vulnerability; for example, the proportion of loans classified as having significantly-increased credit risk was higher, and small entrepreneurs still have a high percentage of outstanding debt even after the COVID-19 period. Circumstances with high risks in many aspects and the gradual lessening on roles of government policies to support the economy may cause less growth momentum than forecast. Apart from economic volatility and uncertainty, the business sector still encounters with changing global trends, particularly the transition to a low-carbon society and Thailand's BCG economy, the transition to a full digital technology era and prudent management of cyber security risks, along with the transition to sustainability in all dimensions of business operations under ESG principles. In consequence, entrepreneurs need to adapt to cope with these changes while the Bank must keep up with such global trends since this is a challenge for Thai economy, which has not yet fully recovered in the form of the new K-shaped economy.

Appendix

Relief Measures in Response to the Impacts of the COVID-19 Pandemic in 2021

On March 23, 2021, The Bank of Thailand, the Ministry of Finance proposed two measures include

- 1) Soft loan facility for businesses (totaling THB 250 billion) to support viable small and medium enterprises (SMEs) affected by the COVID-19 crisis
- 2) Debt restructuring through Asset Warehousing with Buy-Back options (totaling THB 100 billion) provides standardized debt restructuring program for adversely affected borrowers whose businesses require prolonged recovery period, while possessing viable business models and collaterals.

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 loan): convert into loan of 48 installment 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 business 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 THB 50-500 million to manage debt restructuring according to the debtor's capability ie. reduce installment, extending payment period as well as liquidity support for potential customers with solid business plan. Criteria for consideration are as prescribed by the Bank.

On July 16, 2021, according to BOT relief measure for SMEs and retail customers, the Bank has announced a 2-month debt payment holiday on principal and interest for eligible business and retail customers, start from July 2021.

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 of 31 December 2019 or 28 February 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
 - 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 institution to provide sustainable debt restructuring measure (multiple debt restructuring instrument, not only payment period extension).
 - 2.3 Extended the lowered contribution from financial institutions (FIDF fee) to 0.23% (from 0.46%) until ended 2022 (from previously ended 2021) for financial institution to provide continual less burden assistant to private sector and individual.

Credit Ratings

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

	Dec 2022	Dec 2021
S&P Global Ratings		
• Long-term/Short-term	BBB- / A-3 ⁽²⁾	BBB / A-2
• Outlook	Stable	Negative
• Stand-Alone Credit Profile (SACP)	bb	bb+
Moody's Investors Service		
• Long-term/Short-term	Baa1 / P-2	Baa1 / P-2
• Outlook	Stable	Stable
• Baseline Credit Assessment (BCA)	baa3	baa3
• Additional Tier I Subordinated Notes (USD)	Ba3	Ba3
Fitch Ratings		
Foreign Currency Credit Ratings		
• Long-term/Short-term	BBB+ / F1	BBB+ / F1 ⁽¹⁾
• Outlook	Stable	Stable
• Viability Rating	bbb-	bbb-
National Credit Ratings		
• Long-term/Short-term	AAA (tha) / F1+ (tha)	AAA (tha) / F1+ (tha)
• Outlook	Stable	Stable
• Senior unsecured debentures (Baht)	AAA (tha)	AAA (tha)
• Subordinated Debt (Baht)	AA (tha)	AA (tha)

⁽¹⁾ 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)).

⁽²⁾ On March 21, 2022, S&P Global Ratings has announced its press release, reflecting the concern on structural issues persists and the increase of systemic risks for banks operating in Thailand. Then, S&P has downgraded its ratings by one notch on KTB and three commercial banks in Thailand. The outlooks on the banks are stable, from negative.

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
- Krungthai Contact Center : +662-111-1111
- Fax : +662-255-9391-3

- Number and Type of the Total Shares Issued

As at December 31, 2022, the Bank's registered and paid-up capital amounted to 72,005,040,437.50 Baht which is classified into:

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

Other References

- Registrar (Ordinary and Preferred shares)

Thailand Securities Depository Co., Ltd.

The Stock Exchange of Thailand Building
93 Ratchadapisek Rd., Dindaeng, Bangkok 10400
Tel. : +662 009-9000
SET Contact Center : +662 009-9999
Fax. : +662 009-9991
E-mail : SETContactCenter@set.or.th

- Bondholder's Representative and Debenture Registrar

- > USD Debentures of Krungthai Bank PCL No. 1/2018 due 2023

Debenture Registrar

Bank of Ayudhya Pcl.

Security Services Operations Department

AA Fl., 1222 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

AA Fl., 1222 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 due 2029. The Subordinated Instruments are redeemable at the option of the Issuer prior to the maturity date and can be written down (fully or partially) at the time of occurrence of the official deciding to officially grant financial assistance to the Issuer.

Debenture Registrar

Krungthai Bank PCL. Registrar Team,

Capital Market Services Department

977/2 SM Tower, 3rd Fl.,
Phahonyothin Rd, Samsen Nai,
Phaya Thai, Bangkok 10400
Tel. : +662 298-0830-3 ext. 109,130,124
Fax. : +662 298-0835

Bondholder's Representative

-None-

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

REGISTRAR AND TRANSFER AGENT

The Bank of New York Mellon SA/NV,

Luxembourg Branch

Vertigo Building-Polaris
2-4, rue Eugene Ruppert
L-2453 Luxembourg

TRUSTEE

The Bank of New York Mellon, London Branch

One Canada Square
London E14 5AL
United Kingdom

- > Subordinated Instruments intended to qualify as Tier 2 Capital of Krungthai Bank PCL. No. 1/2022 due 2032. The Subordinated Instruments are redeemable at the option of the Issuer prior to the maturity date and can be written down (fully or partially) at the time of occurrence of the official deciding to officially grant financial assistance to the Issuer.

Debenture Registrar

Krungthai Bank PCL.

Registrar Team,

Capital Market Services Department

977/2 SM Tower, 3rd Fl.,

Phahonyothin Rd, Samsen Nai,

Phaya Thai, Bangkok 10400

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

Fax. : +662 298-0835

Bondholder's Representative

-None-

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

Debenture Registrar

Krungthai Bank PCL.

Registrar Team,

Capital Market Services 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 Limited

193/136-137 Lake Ratchada Bldg., 33rd Fl.

Ratchadaphisek Rd., Klong Toey, Klong Toey,

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, Klong Toey, Bangkok 10110

Tel. : +662 345 1992

Krungthai Law Co., Ltd.

191/50-53, 21 CTI Tower 18th-19th, 27th Fl.,

Ratchadaphisek Rd., Klong Toey,

Klong Toey, Bangkok 10110

Tel. : +662 261-3739

Fax. : +662 261-3748-50

5.2 Other Major Information

5.2.1 Other information that may have a significant impact on the investors' decision-making
None

5.2.2 Foreign shareholders restriction (in case that the company has a policy to request a resolution of the shareholders' meeting for the offering of shares or issuing a transferable subscription right (TSR))
None. At present, the Bank does not have a policy to issue transferable share subscription right (TSR).

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

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

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

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

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

5.3 Legal Disputes

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

Part 2 Corporate Governance

6. Corporate Governance Policy

The Board of Directors delegated policy to Krungthai Bank to conduct its business in accordance with the law and good corporate governance principles, as well as taking into account 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 the aim of being an effective, excellence-driven organization with a foundation for sustainable and stable business operations. 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 that 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, the Corporate Governance Code (CG Code) of the Securities and Exchange Commission, and the 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 a good corporate governance culture that created 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 must instill trust and generate benefits for shareholders. The Bank's operations cover ESG principles, which consist of Environmental, Social, and Governance, along with zero tolerance corporate culture and market conduct, molded into every process of working in a concrete way. While striving to grow its business, the Bank also focuses on generating beneficial returns to society, reducing inequality, and enabling all sectors of society to grow together with the Bank sustainably and strongly. The Bank's CG performances are under the supervision and endorsement by the Board of Directors, which earnestly adheres to the principles and guidelines of good corporate governance, oversees, and provides advice on a continuous basis. The Board of Directors places importance on effective risk management and internal control systems, arranges for inspection and review of corporate governance on a regular basis, integrates sustainability dimensions as part of the Bank's culture and business operations, and communicates information that creates knowledge and understanding to stakeholders both inside and outside the organization. This is to ensure that the Bank's business operations have an efficient, transparent, and reliable management system. Moreover, the Board of Directors encourages directors, executives, and employees at all levels to adhere to and comply with the corporate governance policy in an attempt to enable the cultivation of a good governance culture within the organization and elevate the Bank's corporate governance to meet international standards. Eventually, this paves the way of becoming a leading Bank that promotes sustainable development of society and the nation according to the vision "Growing Together for [SUSTAINABILITY](#)." In this regard, 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 the work systems of the Bank so that it operates in accordance with policies, laws, and ethics.

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

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

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, which focuses on becoming a prototypical bank in terms of morality and ethics and creating a zero-tolerance culture, the Bank's corporate governance strategy is expanded to practice under the Sustainable Krungthai, comprising 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 addition, the Bank complies with the code of conduct and ethics, anti-corruption, market conduct, and risk management, which take into consideration all stakeholders, society, and the environment. To do so, the Bank continually generates all employees' awareness of compliance with good corporate governance guidelines through projects and activities under the Sustainable Krungthai and various communication

channels, such as providing CG & Sustainability training course for top executives and orientation for new employees, creating self-learning media via the ONE Krungthai application, E-learning platform, Intranet, as well as managing Lesson Learned, KM (Knowledge Management), and the Sustainable Krungthai initiatives. Besides, the Bank also organizes the exhibitions and activity booths, etc., together with stipulating the good corporate governance structure. Furthermore, a variety of committees have been appointed to ensure that the Bank's operations are in line with its objectives. The committees shall monitor and supervise the operations closely and report to the Board of Directors on a regular basis.

6.1.1 Policies and Practices Relating to Board of Directors

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



Directors' to be up to date respectively. Furthermore, other policies and guidelines for the Board of Directors have also been established, covering the following subjects:

- **Structure of the Board of Directors:** The number of directors is suitable for the organization's size. They can perform their duties effectively. The Board of Directors' structure has an appropriate balance of power, with the number of independent directors meeting the regulatory agency's minimum requirement.
- **Nomination of Directors:** The person who is acting as a 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 whose expertise matches 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 expertise that are beneficial to the Bank. The Board comprises at least one person having knowledge or expertise in accounting and finance; at least one person in information technology; and at least one non-executive director with work experience related to the Bank's business. 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 ethical. 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 a director's remuneration in light of its suitability to retain quality directors with the Bank. According to the Bank's policy, remuneration criteria for each director must be commensurate with the directors' scope of duties and responsibilities, the Bank's financial status, and comparable to that of other listed companies in the Stock Exchange of Thailand and commercial banks at the same level of business group. Additionally, the Bank has a policy of proposing directors' remuneration in any form to the annual general meeting for approval annually, with no other privileges rather than the approval from the annual general meeting of shareholders.
- **Performance Assessment of a Director:** Performance evaluation is conducted in terms of self-evaluation, cross-evaluation, and group evaluation twice a year. The results are used in analysis to develop work operations and to determine whether the Board of Directors' composition is appropriate.
- **Development of a Director:** The Board of Directors has a policy to use the results of its assessment, opinions and suggestions of the Board of Directors, including the Bank's strategy and the skill matrix of the Directors, both educational qualifications and work experience, to establish a plan to increase the efficiency

of corporate governance. A guideline for enhancing the 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 Secretary of the Board of Directors shall coordinate with relevant authorities in both onshore and offshore private and public sectors. 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 the ability to compete in the future with competitors.

- **Succession Plan:** 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 assessments of the President and top executives annually. The Board of Directors ensures a remuneration structure that is consistent with the organization's risk-based culture, as well as a prudent and transparent system of remuneration for top executives based on their duties, responsibilities, and performance, which is consistent with the Bank's financial performance in both the short and long term.
- **Supervision of Subsidiaries and Associated Companies:** The Board of Directors has established clear policies regarding supervision of the management of subsidiaries and associated companies and insists on strict implementation of those policies. 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.
- **Sub-Committees:** The Board of Directors has established sub-committees to study and scrutinize its work as necessary. The Board of Directors has approved the Charter of the Board of Directors and the Charter of the Sub-committees. The Charter defines the structure and composition, roles and responsibilities, and directorship term, as well as the meetings of each committee and sub-committee. The Charters are used as reference in performing their duties. However, the Charter of the Board of Directors and the Charter of Sub-committees are reviewed periodically 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 with good ethics while having an efficient, transparent, and verifiable management system, which helps build trust and confidence among shareholders, investors, and all stakeholders and related parties. In an attempt to lead the Bank towards stability, added value, and sustainable growth, explicit policies and guidelines for shareholders and stakeholders have been established, which cover various subjects as follows:

- **Equitable treatment of shareholders and the promotion of the exercise of shareholders' rights**

The Bank formulates the 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 without 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 the rights of shareholders more than basic legal rights in other areas and refrains from actions that may limit shareholders' opportunity to study the Bank's information. 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, which 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. Furthermore, the Bank explains why the proposed agenda was not included in meeting agendas (if any) or why the Bank did not answer the questions submitted in advance (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 a location that is easy to travel to and can completely support all attending shareholders. The Bank's staff also greets shareholders and assists them with their needs during the meeting. In addition, the Bank prepares security and emergency plans for shareholders as well as uses technology in meeting administration.

- **Prevention of the Use of Internal Information**

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

- **Prevention of the Conflict of Interest**

According to the Bank's policy, directors and executives shall report on their stakes and their related persons' stakes in relation to the management of the Bank or its subsidiaries. Any director with vested interests in any item on the agenda shall not vote on that matter, or the President may invite him or 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 those rights. Measures and actions are taken against those who do not comply with the said policy and guidelines. In cases of violation of rights, there is compensation with a clearly defined, transparent, and 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 law, 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. Specifically, the Bank also respects the protection of human rights and is not involved in human rights violations. Besides, the human rights related matters have been specified in the operation practices of employment and appointment. Meanwhile, the Bank has taken good care of employees in accordance with the International Labour Organization's Declaration on Fundamental Principles and Rights of Work.

- **Respect for Intellectual Property:** The Bank has a policy to conduct business without violating all intellectual property rights, such as trademarks, patents, trade secrets, and other copyrighted works. When using or modifying any intellectual property, it is required to obtain permission from the owner of that intellectual property. All employees are required to protect the intellectual property of the Bank, which includes patents, trademarks, copyrights, trade secrets, and other information.

- **Sustainability Implementation and the Environmental and Social Responsibility:** The Bank complies with the 17 Sustainable Development Goals of the United Nations and the Stock Exchange of Thailand's ESG framework guidelines, along with setting targets for the Bank's sustainability implementation. In this regard, the framework for Corporate Social Responsibility (CSR) and Creating Shared Value (CSV) has been established with reference to a 5-year long-term master plans through various projects, such as the Go Local, Grow Local Project that instructs communities across the country in developing local products, the tourism management that maintains balance with nature, basic knowledge of finance and marketing literacy, etc. This includes the cooperation with the United Nations Development Program (UNDP) to develop biodiversity in communities and the Green Financing projects that provide financial support to low-carbon businesses, etc.

- **Anti-Corruption:** The Bank has a policy to drive the Bank to become a moral organization through the Sustainable Krungthai (Krungthai Khunnatham) initiatives, along with implementing a Zero Tolerance policy in practice throughout the organization. The business is conducted in accordance with the law, ethics, and related standards, with a full range of actions that include no demand, no request, no acceptance, and no payment, and does not conduct business with individuals or 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 an "Anti-bribery and Corruption Policy" and announced the policy to the public, along with the preparation of an anti-bribery and anti-corruption handbook and a manual on the prevention of conflicts of interest. This is for the Bank's employees and executives to use as the basis for their operations.

In the meantime, the Bank has signed the CAC declaration of intention and undergone a self-assessment process specifying that the Bank has a complete establishment of the anti-corruption policies and guidelines according to the criteria set by the CAC Board of Directors. The Bank has been certified by the CAC Board of Directors and has become a member of the CAC. Nevertheless, the Bank also encourages other related companies and its business partners to establish and publish the anti-corruption policies to the public as well as apply to be part of the CAC Change Agent. Besides, the Bank formulated 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 has promulgated the whistleblowing 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 regulations, or violations of the rules of various regulators, he or she is able to whistleblow 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

Policies and Guidelines on Code of Conduct

The Board of Directors delegates a policy for the Bank to conduct business in accordance with good corporate governance and approves the Bank to announce the implementation of the CG Policy, Code of Ethics, and Code of Conduct, which have been continually updated. This is to ensure completeness, accuracy, and currentness according to international standards. Such policies are used as guidelines for the Board of Directors, executives, and employees to adhere to in an attempt to acquire appropriateness and in correspondence 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 the benefits of all stakeholders into account. Conducting business with good corporate governance shall establish confidence and generate benefits for the shareholders, who are vital to the Bank's sustainable growth and prosperity. All employees are encouraged to adhere to and perform duty with responsibility, honesty, transparency, and fairness as part of the organization's DNA and the corporate culture. Supervisors at all levels are designated to monitor and ensure compliance with the code of conduct. In this regard, all employees are required to sign consent to acknowledge the code of conduct and consider it as part of the employee disciplinary regulations.

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 employee orientation, self-learning materials through E-Learning, the intranet, Lesson Learned, KM and the Sustainable Krungthai initiatives. Exhibition Boards and activity booths are organized, and PR media are

created in order to disseminate information and educate employees in the organization along with the Bank's network partners through the Krungthai Intranet Website, HR news, the Sustainable Krungthai initiatives, a digital signage system, and the ONE Krungthai Application. Furthermore, surveys of perceptions, understanding, and implementation of corporate governance, anti-corruption, and the Code of Conduct are conducted annually for employees. Survey results are used as data for improvement in next year's operations.

In 2022, the Bank found three cases of misconduct incidents regarding the violation of the ethics and the code of conduct. The Bank has considered them according to the Bank's disciplinary process for employees who violate the ethics and code of conduct, namely both investigation and proper punishment. Besides, the Bank has studied the causes of such cases and ways to prevent misconduct that may occur in the future in order to plan for the preparation of educational media on ethics and the code of conduct.

6.3 Significant Changes and Developments in Policies, Practices and Corporate Governance in 2022

6.3.1 Changes in Corporate Governance Principles in 2022

The Bank is committed to operating in accordance with good corporate governance through a process of reviewing, improving, and developing policies, practices, and operating procedures. It adheres to accuracy and transparency in line with good corporate governance, laws, and international standards while also highlighting the suitability of its business operations. In 2022, the Bank has reviewed the policy that passed the resolution of the Corporate Governance and Social Responsibility Committee's meeting to be announced in 2023 as follows:

- Corporate Governance Policy of Krungthai Bank PCL.: The Bank has reviewed the corporate governance policy that was announced in 2021. The content is still complete and up-to-date, therefore the Bank continues to employ it.
- Code of Ethics: The Code of Ethics announced in 2021 has been reviewed. Its contents are still complete and up-to-date, therefore the Bank continues to employ it.
- Corporate Governance and Sustainability Strategy: The Bank has reviewed and expanded the operational framework for the years 2023—2027 in order to achieve sustainability. It has given importance to ESG and linked the rules of the Stock Exchange of Thailand and the National Strategic Plan for the Prevention of Corruption with the Bank's context.

Corporate Governance Performance 2022 and Management Guidelines

- The Bank raises awareness and understanding, as well as establishes guidelines for participation in driving the Bank's operations toward sustainability under the Sustainable Krungthai initiatives. The purpose is to create an organizational culture with zero tolerance for corruption and to be an organization that can grow sustainably. The Bank drives its organization with good governance principles and conducts business on the basis of

honesty, transparency, fairness, compliance with rules and laws, and responsibility to society, the environment, and all groups of stakeholders in order to continuously follow the vision "Growing Together for SUSTAINABILITY." There is a survey of the perception, understanding, and implementation into practices of KTB core value and the Sustainable Krungthai initiatives under the 5-level criteria. The result of the survey for the year 2022 is as follows:

- Sustainable Krungthai Initiatives: 4.65 scores, level 4
- Core value and desirable behaviors: 4.67 scores, level 4
- The Bank has had reskilling and upskilling its employees and has created transformational leaders with an outward mindset, design thinking, OKRs & agile tools through the Krungthai Transformative Leadership Project 2022 and Krungthai Hackathon #2.
- The Bank reinforces its core value (Integrity, Breakthrough, Efficiency, Social and Teamwork) as the most essential basis for driving corporate culture through the preparation of the sustainability plans continuously. The principles of Design Thinking & OKRs have been applied as an important tool in elevating the implementation of the sustainability plans in order to increase productivity and achieve goals according to the Bank's strategies, which aim to uplift the development of the daily processes, including the establishment of in-process measures for greater clarity. In addition, there is monitoring and tracking of the work plan quarterly. It is required to assess executives' contributions and apply them in operations in order to be a role model for the organization. The Bank also extend the results from the sustainability plans to contribute in the Krungthai Hackathon. In particular, the Bank emphasizes the executives to initiate the employee participation and encourage them to figure out ideas that can enable and generate innovation and business development opportunities, streamline processes, including creating a good experience for customers and stakeholders, and adding value to the Bank's products and services toward sustainability.
- The Bank has created engagement among all employees throughout the organization via features on the ONE Krungthai Application.
- Krungthai Bank PCL. renewed its membership of the Collective Action Against Corruption (CAC) for the third consecutive term.
- The Bank has produced public relations media, the "Ru-Than-Gun-Plad" column, via email and organized the fan-of-the-month activity for this column via the ONE Krungthai Application.
- The Bank organized the extra-missions activities via the ONE Krungthai Application in the general knowledge category of disciplinary actions and serious disciplinary offenses. Employees are required to study the knowledge related to the disciplinary actions and serious disciplinary offenses, sign to acknowledge the strict disciplinary actions, and take tests on disciplinary action and serious disciplinary offenses.

- Human Resources & Corporate Governance Group, together with Retail Banking Sales & Distribution Group, traveled to give lectures to all network Sectors on the subjects of fraud, personal data disclosure (PDPA), password storage, strong measures on internal fraud, case studies, statistics, suspected transaction detection tools, faster legal processes, and disciplinary actions against misconduct in various ways to raise awareness among employees. These activities receive the collaboration with the business units responsible for the 2nd and 3rd Lines of Defense.

- The Bank proceeded to have the employees sign the acknowledgment and comply with operational regulations regarding password storage, confidentiality, and customer data disclosure (PDPA). If employees violate or do not follow such regulations, they shall have a disciplinary offense and be punished at various levels, ranging from salary cuts to dismissal.
- The Bank enhanced the efficiency and effectiveness of the audit process by using robotic process automation (RPA).
- The Bank announced the No Gift Policy and informed all groups of stakeholders through the Bank's website and anti-corruption networks of external agencies, such as the Office of the National Anti-Corruption Commission and Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).

At the 27/2017 (974) Board of Directors' meeting on December 27, 2017, the Board of Directors considered the CG Code with responsibility and prudence, giving the opinion that the CG Code is 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 Directors also examined the bank's operations to ensure that they were in accordance with the CG Code in each practice, ensuring an appropriate outcome. Furthermore, in order to develop operations in any aspect, they must be in compliance with the CG Code appropriately and continually, so the Board of Directors agreed to consider and review the implementation of the CG Code as it relates to the Bank's business context at least once a year. The board's consideration was required to be recorded as part of the board's resolution. The application of the CG Code is reviewed annually. In 2022, at the Board of Directors Meeting No. 21/2022 (1095), dated December 14, 2022, the CG Code's implementation and adaptation to the Bank's business context were reviewed. They have been carefully considered by the Corporate Governance and Social Responsibility Committee. The meeting agreed to maintain the policy for appropriate implementation and existing guidelines of the CG Code that comply with the current business context. There are three guidelines, as follows:

CG Code Compliance Guideline	Bank Practices in Consistent with the Bank's Business Context
<ul style="list-style-type: none"> 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 consider as follows: <ol style="list-style-type: none"> having the board comprise a majority of independent directors, or appointing a designated independent director to participate in setting the board meeting agenda. 	<ul style="list-style-type: none"> 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"> having the board comprise a majority of independent directors, or appointing a designated independent director to participate in setting the board meeting agenda. <p>As of December 31, 2022, 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>The proportion between executive directors and non-executive directors should support proper checks and balances. The Board of Directors has enhanced the work of Independent Directors by operating in the form of a quorum, similar to other sub-committees of the Bank. One Independent Director has been appointed as the Chairman of the Independent Directors Committee. The Charter of the Independent Director Committee has been formulated to define the qualifications, tenure, duties and responsibilities, and the Committee meetings. Independent directors, who are part of the Board of Directors, are able to participate in considering the agenda of the Board of Directors' meetings prior to the meeting. Independent directors are free to express their opinions or suggestions on meeting agendas to the Chairman of the Board of Directors in the event that there is an important matter or issue that the Board of Directors should consider, thus such matter has not yet been included in the meeting agenda.</p> The fact that the Chairman of the Board is not an independent director does not affect the exercise of discretion in making independent decisions. The Bank has a guideline for checks and balances as follows: <ul style="list-style-type: none"> The Bank has an adequate internal control system and operation mechanism for transparency and the checks and balances. The consideration of significant matters will be in the form of a panel, not subject to the decision of any director. 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. The Chairman of the Board of Directors must not be the same person as the President of the Bank, whose roles and responsibilities are different. The Bank's Board of Directors Charter has stipulated that the roles and responsibilities of the Chairman are 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 to manage the Bank in line with the direction and policies determined by the Board of Directors.

CG Code Compliance Guideline	Bank Practices in Consistent with the Bank's Business Context
<ul style="list-style-type: none"> The Board of Directors may appoint an external consultant to assist in setting guidelines and providing recommendations for the Board assessment at least once every three years. This information should be disclosed in the annual report. 	<ul style="list-style-type: none"> The Charter of the Board of Director Committee states that one of the responsibilities of the Board of Directors is to assess the Board's performance based on self-evaluation, cross-evaluation, and group evaluations twice a year and take into account the results to develop work operations and consider the appropriateness of the Board's 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. This information should be disclosed in the annual report. <p>Presently, the Bank does not appoint an external consultant to assist in setting guidelines and providing recommendations for the Board's performance assessment since the Bank has an appropriate system for the Board's performance assessment. Details are as follows:</p> <ul style="list-style-type: none"> The Bank establishes criteria for assessment based on the principles and recommendations of regulators, namely the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and the 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). The details of the operation related to the performance assessment of the Board of Directors are disclosed in the annual report every year.



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 to comply with the CG Code and the Apply or Explain approach and applied the principles as appropriate to the management and laws and regulations 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 adhere 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 the Corporate Governance Report of Thai Listed Companies organized by the Thai Institute of Directors (IOD). The Bank received an overall assessment of the project at the "excellent" level. The implementation of corporate governance is 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 a Shareholder Rights Policy and treats all groups of shareholders equally and fairly, without discrimination. 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 is responsible for balancing the interests of shareholders and all stakeholders with transparency and fairness, as well as doing nothing that violates or deprives shareholders' rights, whether it is a basic legal right or others. In addition, the Bank follows good practices in protecting the rights of shareholders more than basic legal rights in other areas and refrains from actions that may limit shareholders' opportunity to study the information of the Bank, both financial and nonfinancial 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. Additionally, regarding the Bank's regulations on shareholder meetings, there is no restriction on holding the

shareholder meetings via electronic media. Therefore, the shareholders' meeting may be conducted via electronic media in the form of an "E-meeting" or a hybrid method (i.e., both a physical meeting and an "E-meeting"), as stated in the law on electronic conferencing and the rules of the regulatory agencies. In preparation for holding the meeting each year, the management shall consider the form of the meeting that is suitable for the situation.

1.1 Practices regarding the 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 the fiscal year of the Bank. Other shareholders meetings are called extraordinary meetings. An 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 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 addition, in the event of a serious infectious epidemic situation, the Bank must consider and be aware of the safety and health of shareholders and the public responsibility. Measures and guidelines for the meeting must be set and delivered together with the invitation letter, including stipulating practices for holding a shareholders' meeting approved by the Securities and Exchange Commission and relevant agencies (if any), for example, encouraging shareholders to appoint independent directors as proxies instead of attending the meeting in person, etc.

In 2022, the Board of Directors held one shareholder meeting, which was an annual general meeting; there was no extraordinary meeting. The Board of Directors set the date for the 29th Annual General Meeting of Shareholders (2022) on April 8, 2022, at 09:30 a.m. at Athenee Crystal Hall, 3rd floor, The Athenee Hotel, a Luxury Collection Hotel, Bangkok, 61 Wireless Road (Witthayu Rd), Lumpini, Pathumwan, Bangkok. The map and travel information were attached to the meeting invitation letter and distributed to all shareholders who had 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 29th Annual General Meeting of Shareholders (2022), which was sent together with the invitation letter. The Bank requested cooperation

from shareholders and proxies to act and acknowledge matters, for instance, undergoing 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 and out via the Thai Chana platform, etc. Due to the pandemic situation, the Bank informed shareholders 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

The Board of Directors' Meeting No. 4/2022 (1078), held on February 23, 2022, passed the resolution setting the date for the 29th Annual General Meeting (2022) on April 8, 2022. The Bank has disseminated the resolutions of the said Board of Directors meetings simultaneously in both Thai and English, which contain details about the meeting date, agenda of the shareholders' meeting, opinions of the Board of Directors on each agenda item, and the record date, to inform shareholders and investors via electronic news systems on the Stock Exchange of Thailand's website and the Bank's website on February 24, 2022.

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 agenda items for either information or approval. All agendas are categorized 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 item for consideration, with the following examples:

- Election of Directors: The Bank presents information about name-surname, age, educational background, work experience, the number of companies of which they are directors, separated into listed companies and non-listed companies, and other organizations, the criteria and remuneration process, and the proposed position. If an existing director is nominated for re-election, information about previous meeting attendance, the date, month, and year of appointment, and the number of years as a bank director 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 the 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 candidates such as the auditor's company name, names and details of the proposed auditor, information that shows the auditor's independence, 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 informed shareholders who have questions or want to know information about the meeting agenda and other matters in the invitation letter that questions can be sent in advance to the Bank at share.holder@krungthai.com or contact the Office of the Board of Directors, 13th floor, Nana Nua Building, Tel: +662 208-4132 and +662 208-4146 for the Bank to answer the inquiries on the meeting day.

The Bank enabled shareholders who cannot attend the meeting in person to assign proxies to attend the meeting and cast a vote on their behalf. The documents delivered to shareholders along with the invitation letter are three types of proxy forms as required by the Ministry of Commerce: Type A: This form is general and uncomplicated; Type B: The detailed form contained specific details of what a proxy was needed to do, and the Bank recommended this type; Type C: This form would be used in the case that the shareholder was a foreign investor who appointed a custodian in Thailand to take care of the shares. The Bank has also proposed the names and information of four Independent Directors as alternatives to be appointed as proxy and listed the evidence that a proxy is required to bring together for attending the meeting. This includes documents or evidence and instructions for proxies without setting any conditions that would make it difficult for shareholders to appoint proxies.

1.1.3 Conducting the Shareholders Meeting

The Bank has a policy specifying that the Chairman of the Board of Directors, the President, and all the relevant chairmen of the respective subcommittees must attend the shareholders' meeting, except for those who have important and necessary missions that cause them to not attend the meeting. The purposes of the meeting are to clarify operating performance and management policies, to answer any queries raised by shareholders, and to appoint an independent vote-counting inspector. In the 29th Annual General Meeting of Shareholders (2022), 12 Directors of the Bank attended the shareholders' meeting, representing 100 percent of the total number of Directors. In the meantime, Group Head of Financial Management, a Chief Financial Officer (CFO), attended the meeting. The Bank assigned Krungthai Law Co., Ltd. to act as an inspector for counting votes and monitoring the meeting to ensure it is transparent and complies with the Bank's laws and regulations and good corporate governance. It also invited one minority shareholder to be a representative at the meeting and witness the vote counting. Furthermore, the Bank's auditor for the year 2021, EY Company Limited, had attended the meeting to clarify and answer questions about the financial statements. The representatives of the Rights Protection Volunteer Member Thai Investors Association also attended the meeting. Before the meeting began, the chairman of the meeting informed the shareholders of the names of the directors, subcommittee chairmen, and executives, as well as the aforementioned meeting attendees, for acknowledgement.

The Bank coordinated the use of ballots for each agenda by utilizing technology such as computer systems, barcodes and QR codes for registration and vote counting, as well as displaying the results in each agenda. This helps conduct the meeting efficiently and quickly. Before entering the meeting agenda, the chairman of the meeting assigned the assistant secretary to inform the shareholders of the articles of association relating to the meeting and the rights of shareholders, the rules and regulations used in the meeting, asking questions or expressing opinions, and 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 they have been performed properly in accordance with the procedures required by law. In the past, including the 29th Annual General Meeting of Shareholders (2022), 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 items were added to the agenda that had not been specified in the invitation to the meeting.

In the agenda for the election of directors, four directors were considered for the director nomination agenda as a replacement for those whose terms of office had expired. 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 directors of each director's name and surname, as well as the results of the voting.

In addition, on 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, and make suggestions independently in matters related to the agenda or about the Bank. The time required for the meeting was concise and efficient, as notified to the meeting prior to the start of the meeting agenda, within the sufficient time, and in accordance with the appropriate method for the situation of the COVID-19 outbreak. Therefore, the Bank answered questions from the shareholders after considering the specified agenda and the related questions on the agenda initially. For other questions, the Bank will publish the responses.

1.1.4 Disclosure of Resolution and Report of Shareholders Meeting

After the 29th Annual General Meeting (2022) ended, the Bank published the resolutions of the meeting and the results of the votes in favor, against, or abstentions on each item on the agenda, both in Thai and English, to shareholders

and investors through the electronic news system on the websites of the Stock Exchange of Thailand and the Bank before 9.00 a.m. of the next business day.

In preparing for the 29th Annual General Meeting (2022), 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, a list of the secretary of the Board of Directors who responded as the meeting secretary, as well as the Bank's top executives, Group Head of Financial Management, auditors, the representatives of the shareholders' rights protection volunteer, the Thai Investors Association, the representatives of Krungthai Law Co., Ltd. who responded as the meeting inspectors, and minority shareholders who nominate themselves to be representatives at the meeting by witnessing the vote counting;

- Method of voting by ballot in each agenda item, vote counting by computer, meeting resolutions, and method and procedure for inquiry or comment, which the assistant company secretary has informed shareholders about before the meeting begins;

- Chairman's invitation that invited shareholders who wished to inquire about or express their opinions on each agenda item, names-surnames of shareholders, a summary of key questions, opinions, and proposals, and names and surnames of directors and executives of the Bank who answered each agenda item, including questions that shareholders had left;

- Resolution of the shareholders' meeting containing the number and proportion of votes cast by shareholders in each agenda item, clearly marked as agree, disagree, abstain, and voided ballot.

1.2 Practices for Equal Protection of Basic Rights

The Bank's shares are divided into two types: ordinary shares and preferred shares, both of which have the same voting power, namely 1 share = 1 vote, with the majority rule, unless otherwise specified in the Bank's regulations or otherwise provided by law. The Bank determined a shareholders' meeting process in a manner that supports equitable treatment of shareholders as follows:

- On 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 that it will inform shareholders of the policy and criteria for remuneration of directors and subcommittees by comparing regulations and remuneration rates, including the consideration of the appropriateness of duties and responsibilities in providing policies, solving problems, and making decisions in the Bank's business operations for aiming the Bank's target and business direction, which are compared with listed companies. It was also stated that the Bank does not provide any other benefits to directors holding positions on the

Board of Directors. The Bank provided the amount of remuneration as well as its information for the previous year. At the 29th Annual General Meeting (2022), there is an approval of directors' remuneration for 2022: monthly remuneration and meeting allowances for the Chairman and directors of the board, meeting allowances for the Chairman of the committee and subcommittees, and the directors' gratuity for the year 2021 as proposed.

- The Bank provides an opportunity for the shareholders to propose matters that they deem appropriate to be included in the agenda of the shareholders' meeting in accordance with the criteria set by the Bank. To enable shareholders to participate in the supervision of the Bank and the selection of qualified individuals to hold directorship positions and perform their duties efficiently for the best interests of the shareholders, the Bank has given shareholders the opportunity to nominate candidates with information on their qualifications and the consent of nominees to be selected through the Nomination and Remuneration Committee. Then the Board of Directors shall propose the list of candidates to the shareholders' meeting for the consideration and election as a director. Such a procedure complies with the criteria prescribed by the Bank. Both of these actions are disclosed and performed through the Bank's website in advance of the last 3 months before the end of the fiscal year on December 31, of every year. The 29th Annual General Meeting (2022) has determined the period of nomination from October 1 to December 31, 2021. The Bank has notified shareholders of their rights via electronic news system on the website of the Stock Exchange of Thailand and the Bank's website on September 20, 2021. As a result, there is no shareholder nominating any person or proposing an agenda. The Assistant Secretary of the Meeting informed the shareholders before moving on to the agenda, and the Bank recorded the said message in the minutes of the meeting.

- The Bank provided 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 as of March 7, 2022. The purpose was to provide the shareholders with an opportunity and adequate time to acknowledge the meeting information before receiving the invitation letter in the form of printed documents. For shareholders' meeting invitation letter 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 letters are sent out in two versions: one in Thai for Thai-national shareholders and one in English for foreign shareholders. The delivery had been made through Thailand Post on March 28, 2022. Furthermore, the Bank published the announcement in 1 daily newspaper for 3 consecutive days, from March 30, 2022 to April 1, 2022. After the shareholders' meeting was over, the Bank published the minutes of the shareholders' meeting on the Bank's website within 14 days of the shareholders' meeting (April 21, 2022), which can be downloaded both in Thai and in English. Subsequently, the

Bank notified shareholders on the same day via electronic news system on the website of the Thai Stock Exchange and the Bank's website about the publication of the minutes of the shareholders' meeting. The Bank also provides an opportunity for shareholders who have inquiries or wish to express their opinions regarding the minutes of the meeting to ask questions or express their opinions to the Bank within 1 month from the date of the resolution.

1.3 Policy to Prevent and Manage Conflicts of Interest The Board of Directors has a policy to manage the organization with transparency and accountability in accordance with the guidelines for driving organizational management under the framework of good governance to prevent conflicts of interest and promote corporate culture for directors, executives, and employees of the Bank to have positive attitudes and values of operating with honesty, transparency, morality, ethics, and professionalism. The Bank's Board of Directors shall review any conflict of interest or interest in its operations on a regular basis. Significantly, the Bank's interests must be taken into account at the highest priority. The Board must have no conflicts of interest or influence from peers that would cause misuse of their authority to create benefits for themselves and their peers, regardless of whether such actions would cause damage to the Bank or not. There are tools, criteria, and management measures to prevent and manage conflicts of interest to ensure efficient and transparent management in the best interests of the Bank. All directors, executives, and employees of the Bank must strictly adhere to and comply with this. This shall be regarded as part of employee discipline, including the implementation of relevant laws.

Practices for Prevention on the Conflicts of Interest

1.3.1 The Board of Directors has approved and announced the implementation of a code of conduct to be followed by the Bank's directors, executives, and employees as a guideline for standard practice, ethical business operations, and legal compliance. This is not only to be in compliance with this code of conduct but also to understand and have the intent to comply with the law. It is the duty of all supervisors at all levels to monitor their subordinates and implement the code of conduct as part of 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 hindering of insider information, personal investment activities, avoiding conflicts, and obtaining and delivering incentives. A manual for preventing conflicts of interest should be prepared for the Bank's employees and executives to use as a general principle of practice.

1.3.2 Protect on Misuse of Insider Information

The Bank has a policy that no directors, executives, employees, or other relevant persons may use insider information obtained from the Bank for personal gain or to benefit outsiders. The Bank also determines insider information retention in writing, and everyone in the organization shall comply with such guidelines. Its main point is that employees are not allowed to trade and transfer in and out securities in a way that is likely

to disadvantage outsiders by using insider 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 perceive the information because of their positions that allow them to know the facts or because they are bank employees, whether the said act is done or not. In this regard, any non-compliance or violation will be considered a non-disciplinary 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 to the Securities and Exchange Commission changes in securities holdings issued by the Bank of themselves, their spouses, and their minor children in accordance with the Securities and Exchange Commission's regulations.

- The Bank has reported 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 announcing 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 of the Bank's Directors must inform a secretary of the Board of Directors, whereas the top executives inform Retail Banking Regulations and the Market Conduct Department, respectively, regarding the purchase of the 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) on June 18, 2009, the Board of Directors resolved to follow Sections 89/14, 89/15, and 89/16 of the Securities and Exchange Act B.E. 2535 (1992), which states that a director and an executive shall file with the company a report on their interest or a related person's interest in relation to the 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. The report shall be submitted in copy 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 2022 and previously, directors and executives of the Bank have reported in accordance with the rules and procedures prescribed by the Board of Directors. Furthermore, if any director has a vested interest in any meeting, he or she shall not vote on that matter, and the President may invite him or her to leave the meeting temporarily, as prescribed in Bank Regulation No. 34 correspondingly.

1.3.4 Related-Party Transactions or Connected Transactions

The Bank has an internal system called the "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 related party transactions or connected transactions. The details of the policies and practices are as follows:

Policy on Pricing

To prevent conflicts 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 preventing conflicts of interest from related-party transactions or connected transactions. In approving such transactions, the Bank has carefully considered the issues of 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 or connected transaction that is required by the regulators or the Bank's procedures to be approved by the Board of Directors, the Bank has formulated best practices for the Board to follow in order to prevent conflict of interest. Detail of the best practices are as follows:

- 1) Each director must disclose information on transactions that might lead to a 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 its opinion to comply with good corporate governance and the regulations of the Stock Exchange of Thailand.

- 3) Lending or investing in businesses in which the director has an interest must be unanimously approved by the Board of Directors without the attendance of such a director. 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 to avoid conflicts of interest.

2. Role of the Stakeholders and Sustainable Business Development

2.1 Driving Business for Sustainability

The Bank has established a policy framework, guidelines, and sustainability management goals in various dimensions covering the environment, society, governance, and economy aspects. Elaborate details are disclosed on the website and in the Sustainability Report 2022.

2.2 Responsibility to Stakeholders

Policy for Responsibility to Stakeholders

The Bank has a policy and is aware of the treatment of groups of stakeholders, both inside and outside the Bank, with the respects to the rights prescribed by relevant laws. There must be no action that violates the rights of stakeholders in matters under the respect of human rights, intellectual property rights, procurement with government, anti-corruption, including the practices and a code of conduct for stakeholders namely the employees, customers, shareholders, regulators, the Bank's business partners and allies, creditors, competitors, society, and the environment.

2.2.1 Practice and Guidelines for Stakeholders

The Bank has recognized the rights and roles of all groups of stakeholders, both inside and outside the Bank, by taking into account and adhering to the following practices:

2.2.1.1 Human Rights

The Bank has a policy to conduct business in compliance with domestic law, international law, and the Universal Declaration of Human Rights (UDHR). The Bank encourages the input of basic principles of human rights in all business lines and areas where it 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.

2.2.1.2 Intellectual Property

The Bank has a policy to conduct business without violating all intellectual property rights, such as trademarks, patents, trade secrets, and other copyrighted works. When using or modifying any intellectual property, it is required to obtain permission from the owner of that intellectual property. All employees are required to protect the intellectual property of the Bank which includes patents, trademarks, copyrights, trade secrets, and other information.

2.2.1.3 Procurement with Government

The Bank has competed in the business world with honesty and transparency. Any work process related to procurement must comply with procurement law and regulation. The Bank shall not interfere with or exploit personal relationships with 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 its anti-bribery and anti-corruption policy.

2.2.1.4 Guideline for Stakeholder Treatment

The Bank categorizes stakeholders and strictly complies with the policy on treatment of stakeholders as follows:

- Treatment of the Employees

The Board of Directors, executives, and employees at all levels of the Bank have acknowledged and adhered to the corporate governance policy as the basis for their operations, are well aware of their rights and duties, and are ready to be a role model in exercising their rights and performing their duties in accordance with the framework set by the Bank. As a result, the Bank will become an organization with a corporate governance culture that fosters trust among shareholders and all stakeholders for the benefit of value creation and sustainable growth.

The Bank has policies and guidelines in place for employees at all levels, with an emphasis on personnel management and development, providing equal and fair opportunities to advance in their career path in accordance with applicable laws and standards. The emphasis is placed on the respects of human rights in addition to taking care of salary, remuneration, and other benefits that are appropriate based on duties and responsibilities, which is comparable to leading commercial banks or financial institutions. There is a remuneration policy that is in line with business growth and the Bank's performance, both in the short term and long term. Performance is measured according to the Performance Driven Organization (PDO) policy, whereby employees receive compensation according to their own performance.

The Bank encourages employees to have a better quality of life by providing a variety of welfare benefits that can appropriately meet the needs of employees, such as medical examinations for employees, their families, and retired employees; subsidies for employees' medical expenses; subsidies for the education of employees' children; and welfare loans, including the provision of a provident fund and social security, etc.

The Bank has trained and developed employees' skills and knowledge to be ready for business competition at all times. To be in line with the Bank's strategy, the Bank has organized both online and onsite training, whereas there are various forms of personnel development and the mental development through Vipassana meditation.

In addition, knowledge is promoted and the emphasis is placed on the safety of employees by means of providing an atmosphere and environment that is safe and conducive to work. The Bank determines the safety measures that must be taken in accordance with the law, including preparing an emergency plan manual to be used as a guideline for safeguarding oneself and the Bank's assets, both in normal or critical situations and during the epidemic situation. The Bank also encouraged employees to treat each other with respect according to the guidelines set forth in the Code of Conduct for Employees. In 2022, the Bank organized training courses regarding the safety and AED machine usage. There were no cases of work-related injuries among employees.

The Bank gives freedom of association and collective bargaining, which are fundamental rights to protect

employees from being exploited by employers. There are meetings of the Labor Relations Committee on a monthly basis, at least once a month. However, the Committee also conducts negotiations under the Labour Relations Act, B.E. 2518 (1975), by holding meetings of the Employee Committee and the Welfare Committee at least once every three months.

In 2022, there was a meeting between employer representatives and employee representatives, namely a joint consultation meeting between executives and employees so that employees knew about the organization's operational guidelines and any difficulties or effects that may occur in an attempt to develop and improve the operational efficiency of the organization. The meeting focused on employee participation and opinions. The Bank believes that good communication and the exchange of ideas between the Bank and employees will lead to good relationships and help them achieve the goals of the organization together, including promoting employee engagement and retention. There is a plan to increase employee satisfaction or engagement through activities such as employee relations activities, etc. The Bank is required not to limit employees' ability to join groups or negotiate employee benefits.

- Treatment of Customers

The Bank has a policy to conduct business with responsibility to customers, willingness, full competence, honesty, equality, fairness, and compliance with the law and related standards. It also offers a wide range of quality financial products and services. The Bank has developed work processes and applied modern technology appropriately, including developing service channels through implementing technologies in order to facilitate and reduce the cost of customers in accessing the banking services. Consequently, it is expected that such services shall meet customers needs and expectations so as to gain the maximum benefit and satisfaction. There are strict measures regarding the customer data protection for data security, including not disclosing customers' data or confidential information unless required by law to do so or obtaining written permission from the customers. The Bank also places importance on handling customer complaints in a timely manner by providing a channel to receive customer complaints, and there is a business unit responsible for solving problems with care, fairness, and transparency, as well as monitoring and measuring customer satisfaction in order to improve products and services. Moreover, the Bank has advertised, publicized, and promoted sales (according to Sales Conduct) responsibly by providing accurate and complete information that is beneficial for customers before deciding to use the service, not causing misunderstandings or taking advantage of customer misunderstandings (Market Conduct).

- Treatment of Shareholders

The Bank operates in accordance with its 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 complying with laws and regulations, adhering to

a 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 of Regulatory Agencies

The Bank believes that conducting business properly along with good ethics, is an important foundation for the Bank to grow steadily and sustainably in its business operations. In addition to generating profits for shareholders, creating wealth for customers, and supporting the whole society to have a better quality of life, the Bank has a policy to strictly comply with the law, announcements of requirements and regulations of regulatory agencies, including cooperating and coordinating with various related agencies to jointly strengthen the stability and growth of the nation.

- Treatment of Partners and Business Alliances

The Bank has policies and guidelines for conducting business with all business partners equally under the supplier code of conduct. To achieve transparency, there is a fair procurement process and equitable conditions of the contract or agreements that adhere to the utmost interests of the Bank and not benefiting oneself or one's groups. Accurate, complete, and truthful information is provided to business partners. To avoid various accusations and the inclination that may be favorable in return for any party, the Bank refrains from accepting gifts, gratuities, entertainment, or services provided individually or in groups. In this regard, the Bank strictly adheres to the procurement regulations. Besides, the Bank has set policies about fair treatment and responsibility for partners in writing and publishes them on the Bank's website (<https://eprocurement.krungthai.com/procureweb/Home>), including a guideline for procurement operations such as the procurement policy, merchant selection criteria, guidelines for working with the Bank, procurement announcements, etc. This is to ensure that partners' qualifications meet the Bank's criteria and that they procure supplies that meet the Bank's requirements and under the service period. Meanwhile, the Bank has also promoted procurement processes that are environmentally friendly (green procurement) and had sustainable business development with partners, such as providing knowledge, developing potential, upgrading abilities in producing and providing standardized services and clarifications. Additionally, the Bank considers taking care of business partners to ensure that they respect human rights and treat their labor fairly, including being socially and environmentally responsible, monitoring, inspecting, and evaluating suppliers, etc.

For business partners, the Bank has policies and guidelines determined to comply with the agreements made with the Bank's business partners. This enables business support and leverages each party's benefits in terms of knowledge to develop potential and elevate the ability to provide standardized services aiming for the business outcomes in general.

- Treatment of Creditors

The Bank stipulates policies and practices for all groups of creditors on the basis of receiving fair returns from all parties according to contracts or conditions strictly agreed upon.

In the event that one of the conditions cannot be complied with, the creditors must be notified in advance in order to jointly consider a solution. In business negotiations, the Bank is prohibited from demanding, accepting, or paying any dishonest benefits in trade, including reporting accurate, complete, and timely financial information to creditors on a regular basis.

- Treatment for Competitors

The Bank has a policy to conduct business with fair competition, openness, and transparency without unfair competitive advantages and has no policy to compete by slandering, bullying, or distorting the facts of competitors. In the meantime, the Bank refrains from making agreements, talking, or discussing with employees of other agencies or financial institutions about location, geography, marketing, customer allocation, interest rate fees, or other products, services, or business plans that may affect the Bank's business competition. If any non-compliance with the policy is found, the whistleblowing is available at the Bank's whistleblowing channel.

- Treatment of Society and Environment

The Bank has established a written policy on social and environmental responsibility that is published on the Bank's website. It places great emphasis on instilling awareness of social and environmental responsibility among executives and employees at all levels through various CSR policies and projects organized by the Bank with the determination to be a good organization and participate in improving the quality of life for the community and society as a whole. It covers principles of corporate governance and social responsibility that focus on sustainable development, including taking care of the environment and using resources efficiently and effectively to reduce environmental impact from operations. The Bank organized environmental training courses, promoted learning outside the classroom through activities to study and preserve nature and the environment, including doing physical on-site workshops. In this regard, the Bank also publishes the social responsibility report that summarizes the main actions in the past year in the Bank's Annual Report or Sustainability Report.

2.2.1.5 Stakeholder Engagement

The Bank has established a process to promote cooperation between the Bank and stakeholders in order to create fair benefits and contribute to the business's prosperity and sustainability, including giving external stakeholders the opportunity to participate in activities organized by the Bank, such as giving shareholders the right to freely express their opinions in shareholder meetings, proposing agenda items, and nominating appropriate persons for selection as direct directors. The Bank has also arranged a process for stakeholders to directly contact the Board of Directors and related departments of the Bank in order to make recommendations, provide useful information for the Bank's business operations, or make whistleblower and complaints in cases of corruption, incorrectness, non-transparency, or provide advice and suggestions through various channels of the Bank, such as the Bank's call center and website.

2.2.2 Whistleblowing and Complaints

Whistleblowing Policy

Through various channels, the Bank provides opportunities for stakeholders to report misconduct. If anyone sees any misconduct done by directors, executives, permanent or temporary employees of the Bank or affiliated companies—an act of corruption, illegal activities, or violation of banking regulations or the rules of regulatory agencies—they can whistleblow through the channels as specified. The whistleblower's information will be kept confidential and will be adequately protected both during the investigation and after the process is completed.

Whistleblowing channels are as follows:

- The Chairman of the Board of Directors,
E-Mail: whistletruth@krungthai.com
- Whistle Blowing Team
E-Mail: whistle@krungthai.com
- Post: Whistle Blowing Team
The Office of the President
Krungthai Bank PCL. 35 Sukhumvit Road,
Klong Toey Nua, Wattana,
Bangkok, 10110
- Tel.: +662 208-4120
(Monday–Friday, 08:00–17:00 hrs.)
- Fax: +662 256-8778

Whistleblowing Policy

The Bank has implemented market conduct management in an end-to-end process by providing a variety of channels for receiving and managing complaints from complainants or all stakeholders. There is a complaint management process that can coordinate, analyze problems, and solve problems efficiently and effectively. The name of the complainant will be kept confidential and protected during the process and after completing the process.

Channels for Complaints

- Krungthai Contact Center +662 111-1111
(24 hours)
- Krungthai Bank website
- E-Mail: compliant.center@krungthai.com
- <https://www.contactcenter.ktb.co.th>
or E-Mail: call.callcenter@krungthai.com
- Fax: +662 256-8170
- Post: Office of the Board of Directors, Krung Thai Bank Plc., 13th floor, Nana Nua Building, or PO Box 44, Hua Lamphong Bulk Mail Center, Bangkok, 10331
- 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:

- E-Mail: 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

There are channels for shareholders wishing to present issues that are beneficial to the Bank or relevant matters that relate to the rights of shareholders through the Independent Director Committee via E-mail: 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
- Suggestion
- Complaint
- Recognition
- Inform

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 supervisor shall be reported immediately in order to promptly consider submitting such issues into the crisis communication management process.

2) Complicated case/fraud: It is required to comply with regulations or submit the matter to the Internal Audit Group to perform an inspection immediately.

e. Related business units conduct the summary report on a monthly/periodic/annual basis

f. Review the process annually

2.3 Innovation Development

Policy to Promote Business Invention or Innovation Development

The Bank has encouraged employees to have creativity to develop further into innovation, be assertive, think outside the box, focus on job development and self-development, be able to transfer knowledge, exchange experiences, and have knowledge management. The Bank also established a process or plan to develop and promote business invention and innovation development to become a corporate culture. The Bank carried out many projects focusing on creating innovations to create business models that connect the Bank's 5 ecosystems, namely government agencies, payment, healthcare entities, educational institutions, and transportation. This is the strength of the Bank that it should maintain and can also be used to connect the services to other ecosystems to meet the daily needs of customers and expand the business by offering a variety of financial services that truly meet every need.

3. Disclosure and Transparency

3.1 Disclosure and Transparency Policy

The Board of Directors sets policy and assists the Bank in monitoring information disclosure and transparency operations, ensuring fair treatment of stakeholders, adhering to conduct business responsibly to society, enhancing all executives and employees to be good citizens and perform their duties with honesty, transparency, and morality, and leading to a corporate governance culture accepted by governmental and private organizations. Disclosure of the Bank's information complies with laws, rules, regulations, and important standards. The Bank has prepared a practical guideline on information disclosure and transparency to be used as the same standard for employees of all levels, all departments, both in the central offices and the regional offices, and published 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 has details of procurement announcements on its website (<https://eprocurement.krungthai.com/procureweb/Home>) for the general public's convenience in accessing the Bank's procurement information. There is a summary of the results of the consideration of the procurements that the Bank has made with individuals and external agencies that are up-to-date. The Bank's procurement notifications are published, which contain announcements, procurement by way of comparing price and tender, announcements of cancellation of price examination and tender, and announcements of winners of price examination, tenders, and auctions. In addition to searching for information and the published procurements, those who are interested in offering jobs in the Bank's procurement can enter the said system by themselves, provide personal information, and follow its terms and conditions as specified by the Bank

3.2.1.2 Disclosure of the Bank and Customer Information to Requesting Agencies and Third Parties

Legally authorized agencies, government agencies, and private agencies are able to request an audit of the Bank's information under the rules and regulations of the Banks as follows:

a) Legally Authorized Agencies

In order to verify information, request evidence documents, or ask a bank employee to testify as a witness, legally authorized agencies may request information and evidence documents related to the account opening application form and accounting transactions of the deposit

account, as well as an audit of deposit-withdrawal information and 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 the information audit. Most of the requests are for personal information audits, 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."

In addition to the Official Information Act, B.E. 2540 (1997), Personal Data Protection Act B.E. 2562 (2019), Section 27 stated that "The Data Controller shall not use or disclose Personal Data without the consent of the data subject, unless it is the Personal Data which is collected without requirement of consent. The Person or juristic person who obtains Personal Data as a result of the disclosure under paragraph one shall not use or disclose such Personal Data for any purpose other than the purpose previously notified to the Data Controller in the request to obtain such Personal Data."

3.2.2 Disclosure of Information in Compliance with the Principles of a Listed Company and Good Corporate Governance

The Bank discloses important information related to the business, both financial and non-financial information, adequately, accurately, completely, transparently, thoroughly, reliably, and timely as prescribed in the requirements of the Securities and Exchange Commission and those of the Stock Exchange of Thailand, i.e., the 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, helping shareholders, customers, and other interested parties access 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 statements of the Bank and its subsidiaries, including the financial information that appears in the annual report. Such financial statements are prepared in compliance with the Generally Accepted Accounting Principles by using appropriate accounting policies 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. Furthermore, the Board of Directors established the Audit Committee, which is made up of Independent Directors, to oversee the reliability and accuracy of financial reporting as well as the internal control system sufficiently and appropriately to ensure that the Bank's financial statements are reliable and comply with the law and related regulations. There are disclosure principles as follows:

a. Financial Statement

- Accurate financial statements were prepared in accordance with generally accepted accounting principles and selection of the appropriate accounting policies.

- In the auditor's report, the Bank's financial statements have been certified without any condition or remark.

- The Board of Directors provided a report about the Board of Directors' responsibilities for financial statements. The Bank disclosed such report together with the auditor's report in the Annual Report.

- Financial statements are disclosed on the Bank's website quarterly, including the latest quarter and annual financial statements for the past 10 years.

- Quarterly and annual financial statements and financial reports were submitted within the time specified in the regulations of the regulatory agencies, i.e., the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, and as required by relevant laws. In 2022, the Bank was not fined or ordered to amend its financial statements and financial reports by the Office of the Securities and Exchange Commission.

- The management has prepared and disclosed discussion and analysis about financial statements in order to summarize and explain them in an analytical way compared to the previous year to determine whether the profit has increased or decreased. If there is a change in any item, the reason or cause of the change will also be indicated. It also reflects the link between the Bank's nature of business and the concept of sustainable business (ESG), which at least covers environmental, social, and governance issues and includes analysis of factors that affect the Bank's future operations in order for investors to understand and analyze the direction of the Bank's operations and growth.

b. Information on related party transactions is completely disclosed, comprising names of persons conducting related transactions, relationships, the nature of transactions and their conditions, and transaction price and value policies.

c. Audit fees and other service fees paid to the auditors have been disclosed in the annual registration statement and the annual report (Form 56-1 One Report).

3.2.2.2 Disclosure of Basic Information about Business of the Bank

a. Information about the nature of business, industry analysis, competition in commercial banking business, and the status and competitiveness of the Bank

b. Information about the Bank's long-term goals/sustainability goals, and business strategies to achieve goals

c. The Bank's quantitative indicators that align with the sustainable business (ESG) goals set by the Bank

d. Dividend payout ratio policy

e. Business group structure: parent company, subsidiaries, joint ventures, related companies; specify the proportion (%) of shareholding clearly.

f. Organizational structure diagram and information about the Bank's executives, such as names, positions, and biographies of each executive, etc.

g. Structure of the top 10 shareholders as of the latest book closing date of the Bank

h. Directors' and executives' direct and indirect shareholdings are clearly separated.

i. Guidelines on risk management and risk impact analysis

j. Disclosure of the full regulations on the Bank's website

3.3 Information Communication Channels

3.3.1 The Bank's website is made in both Thai and English language and displays the Bank's information, such as its vision and mission, nature of business, information about the Board of Directors and executives, current and historical financial statements, press releases, etc. Its information is always updated to be up-to-date.

3.3.2 An annual report, invitation letter, and minutes of the shareholders' meeting are provided and can be downloaded from the Bank's website.

3.3.3 A sustainability development report is provided and can be downloaded from the Bank's website.

3.3.4 The Bank's financial position is communicated through various channels, for example, by holding meetings with analysts and investors and preparing press releases, etc.

3.3.5 Investor Relations

The Finance Strategy Team has been assigned to equally and fairly provide and disseminate information about the Bank that is beneficial for all related parties, including investors, stock analysts, domestic and foreign fund managers, and 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. The Investor Relations section acts as a center for contacting securities analysts, Thai and foreign investors, and credit rating agencies. Senior executives of the Bank regularly participated in various activities organized by investor relations. For the year 2022, investor relations has conducted many activities, as summarized below:

Meeting Format	No. of Times
One-on-One Meeting & Virtual Meeting	95
Analyst Meeting & Fund Meeting	8
Investor conference/Roadshow	2
Total	105

Contact Information: Finance Strategy Team

Tel.: +662 208-3668-9
 E-Mail: ir@krungthai.com
 Address: Krungthai Bank Pcl., 12th floor,
 Nana Nua, Building 35
 Sukhumvit Road,
 Klong Toey Nua,
 Wattana, Bangkok, 10110

Bank's Website: Navigate to the "Investor Relations" menu

3.3.6 The Marketing Strategy Department has been assigned to publish news and information about the Bank through mass media on various occasions in 2022, as follows:

Disclosed Format	No. of Times
Press Release	358
Press Conference	45
Press Interview	39
Total	442



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, 2022, pages 008-009

7.2 Information about the Board of Directors

Diversity policy in the structure of the Board of Directors

The Bank has a policy to diversify the structure of the Board of Directors to consist of individuals with knowledge and expertise based on the defined Skill Matrix, which is in line with the Bank's current and future missions and strategies, including the Bank's sustainable development. In order for the Board of Directors to comprise of a group of individuals with diverse qualifications in terms of skills, experiences and specific abilities that are beneficial to the Bank, there shall be at least one person with knowledge and skills in accounting/finance, at least one person in information technology, and at least one non-executive director who has work experience related to the Bank's business. There shall be no discrimination or use of personal differences such as religion, culture, race, nationality, gender, etc. as a limitation for holding director positions.

7.2.1 Structure of the Board of Directors

The structure of the Board of Directors consists of 12 members in total, which is in line with the resolution of the 14th Annual General Meeting on April 27, 2007. The number of the directors is appropriate for the size of the organization and efficiently performing duties as well as creating a proper balance of authority and power. On December 31, 2022, there were 12 members of the Board of Directors. The Board of Directors consists of 1 executive director and 11 non-executive directors 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 that at least one-third of the Board must be Independent Directors, and must not be less than 3 persons. In this regard, the structure of the Board of Directors is diverse, consisting of 2 female members (1 Independent Director and 1 Director of the Bank) and members with knowledge and expertise based on the defined Skill Matrix in finance, accounting, law, information technology, business administration and marketing, economics, risk management, human resource management, engineering and innovation management, as well as having work experience related to banking business. This is in line with the Bank's current and future missions and strategies, including the Bank's sustainable development.

7.2.2 Information of the Board of Directors

- The Board of Directors

Members of the Board of Directors, as at December 31, 2022

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) Mr. Lavaron	Sangsnit	Director, Executive Director and Member of the Nomination and Remuneration Committee
10) Dr. Kulaya	Tantitemit	Director, Member of the Risk Oversight Committee and Member of the Corporate Governance and Social Responsibility Committee
11) Ms. Jiraphon	Kawswat	Director, Independent Director, Member of the Audit Committee and Member of the Corporate Governance and Social Responsibility Committee
12) Mr. Payong	Srivanich	President, Executive Director, Member of the Risk Oversight Committee
Ms. Sineenard	Damri-Anant	Assistant Secretary

Details of Changes of the Directors

1) Ms. Jiraphon	Kawswat	Took the position of a Director on October 26, 2022, replacing Ms. Nitima Thepvanangkul who resigned from the position of Director on September 28, 2022.
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In 2022, Ms. Nitima Thepvanangkul resigned from the position of Director, effective September 28, 2022. 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 line with legal procedures and good corporate governance principles. There is a consideration according to the specified criteria, methods, and processes. Ms. Jiraphon Kawswat has been appointed by the Board of Directors to replace the resigned Ms. Nitima Thepvanangkul as a director of the Bank and an independent director, effective October 26, 2022.

Details of Changes of the Directors after December 31, 2022

1) Mr. Chamroen	Phothiyod	Took the position of a Director on January 11, 2023, replacing Dr. Kulaya Tantitemit who resigned from the position of Director on January 1, 2023.
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Since Dr. Kulaya Tantitemit resigned from the position of Director, Member of the Risk Oversight Committee and Member of the Corporate Governance and Social Responsibility Committee, effective January 1, 2023, 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 line with legal procedures and good corporate governance principles. There is a consideration according to the specified criteria, methods, and processes. Mr. Chamroen Phothiyod has been appointed by the Board of Directors as the Director, Member of the Risk Oversight Committee and Member of the Corporate Governance and Social Responsibility Committee, effective January 11, 2023.

Although the Chairman of the Board of Directors is not the Independent Director, it does not affect his/her independent judgment. The Bank has adequate internal control systems and operational mechanisms for checks and balances and transparency. Considerations on significant matters are in the form of a panel and are not subject to the decision of any individual committee. Structure of the Board of Directors of the Bank as of December 31, 2022 consists of 6 independent directors out of a total of 12 directors or equal to 50 percent of the total number of directors. The Board of Directors has upgraded the work of Independent Directors. The Independent Directors shall operate in the same form of quorum as other sub-committees of the Bank. One Independent Director has been appointed as the Chairman of the Independent Director Committee. There is the Independent Director Committee Charter that prescribes qualifications and terms of position, including duties and responsibilities, and meetings. The Independent Director Committee, comprising Independent Directors who are part of the Board of Directors, participates in considering the agenda of the Board of Directors' meetings prior to the meeting. Independent Directors are free to express their opinions or suggestions on meeting 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 addition, the Chairman of the Board of Directors is a non-executive director, not being an authorized director, and not holding the position of chairman and member of other sub-committees of the Bank. Moreover, the Chairman of the Board is not the same person as the President. Roles and responsibilities are clearly defined. The Board of Directors Charter stipulates that the Chairman of the Board has a duty to supervise and monitor the performance of both the Board of Directors and the management to ensure efficiency in achieving the organization's objectives and main goals. The President is the highest level executive of the management and responsible for managing the Bank in accordance with the directions and policies set by the Board of Directors.

Authorized director of the Bank

In 2022, 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. 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 views 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 General Meeting 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 General Meeting except when having urgent matters. The Board 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**

The Bank's Articles of Association stipulate that the Board of Directors elects one director as the Chairman. According to the Charter of the Board of Directors, the 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 a 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 General Meeting

Chairman of the Board of Directors takes the chairman role at the Annual General Meeting and assigns a responsive person to supervise the Annual 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 a shareholders meeting to elect directors to fill the vacancies.

In addition, the meeting of the Board of Directors can be conducted via electronic media in accordance with the Bank's regulations, laws, notifications, and regulations of relevant regulatory agencies. In organizing the meeting via electronic media (Google Meet), all Directors of the Bank who attend the meeting were required to verify themselves in accordance with the specified method prior to the meeting.

The Board of Directors has a management policy in accordance with good corporate governance principles. A meeting of the Board of Directors shall be held without the participation of the Management at least once a year. Moreover, the Board of Directors encourages Independent Directors to work in the form of a quorum and stipulates the Independent Director Committee Charter that specifies qualifications, tenure, duties and responsibilities. The Independent Director Committee shall hold meetings at least twice a year and submit reports and recommendations as appropriate to the Board of Directors.

- **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 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.

- **Independence of the Board of Directors**

The Board of Directors is responsible for the performance of its duties to shareholders and is truly independent from the Management for the utmost benefit of the Bank and its shareholders' sustainable growth. There is a clear segregation of duties and responsibilities between the Board of Directors and the management. The Board of Directors sets policies for the Management to manage work systems and activities of the Bank in a legal and ethical manner and in accordance with principles of good corporate governance. In addition, the Chairman of the Board of Directors cannot be the same person as the President due to the differences in the responsibilities and to ensure that no person has unlimited authority. The roles and responsibilities of the Chairman and the President are clearly defined separately.

- **Roles and Responsibilities of the President**

The President is the highest level executive of the Management with the authority and responsibility to supervise the Management and operations of the Bank in accordance with the objectives, policies, regulations, and goals set by the Board of Directors, as well as managing the operations according to plans or budgets approved by the Board of Directors and protecting the interests of the Bank and its shareholders. The main responsibilities are as follows:

(1) Supervise the Bank's operations in accordance with the objectives, policies, regulations and goals assigned by the Board of Directors.

(2) Manage the operations according to work plans or budgets approved by the Board of Directors.

(3) Supervise staff and employees of the Bank to perform their duties in accordance with the Bank's objectives and missions.

(4) Establish relationships and collaboration between the Bank and other agencies and organizations both domestically and internationally.

(5) Be a representative or authorized person to act on behalf of the Bank in relation to external agencies and regulators or perform any juristic acts that are legally binding the Bank as assigned by the Board of Directors under the objectives and regulations of the Bank.

(6) Attend meetings and be a member of the Board of Directors as appointed by the Bank.

(7) Consider any other matters assigned by the Board of Directors and subcommittees.

7.3 Information Related to the Committees

7.3.1 Committees

In order for the Board of Directors to perform their duties and responsibilities as well as effectively monitor and supervise the Bank's operations in accordance with the prescribed policies and strategies that are in line with the law and good corporate governance principles, the Board of Directors has appointed committees in different panels. The committees are appointed to study and filter related matters as needed, particularly in case of judgment with non-discrimination, which supports the Board's performance as necessary and appropriate, taking into account its size, complexity, nature of business and risks as well as the Bank's long-term sustainable strategies and operations. This makes the Board of Directors' operations more efficient and effective. In this regard, the Board of Directors has approved the Charter for each committee, which defines the composition, responsibilities, meetings, and term of office. There are 7 committees as follows:

- 1) The Board of Executive Directors
- 2) The Audit Committee
- 3) The Nomination and Remuneration Committee
- 4) The Corporate Governance and Social Responsibility Committee
- 5) The Risk Oversight Committee
- 6) The Compliance Committee
- 7) The Independent Director Committee

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, 2022

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. 10/2561 Re: Corporate Governance of Financial Institutions. This excludes Mr. Payong Srivanich, the President, who is an Executive Director, 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**

Members of the Audit Committee as at December 31, 2022

1) Mr. Vichai	Assarasakorn	Chairman of the Audit Committee
2) Gen. Tienchai	Rubporn	Director
3) Ms. Jiraphon	Kawswat	Director
Mr. Panabhand	Hankijjakul	Secretary

Details of Change of Directorship or Secretary of the Committee

- | | |
|-------------------------|--|
| 1) Ms. Jiraphon Kawswat | Took the position of the Director of the Audit Committee on October 26, 2022, replacing Ms. Nitima Thepvanangkul who resigned from the position of Director on September 28, 2022. |
|-------------------------|--|

The Audit Committee amended scope of authority and responsibility according to the Audit Committee Charter 2022/2023 (revised in October 2022), which was effective on December 1, 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 Business Group

6.2.1) Supervise and monitor the operation to be in line with the Financial Business Group;

6.2.2) Review accuracy and adequacy of financial report of the Financial Business Group

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

10.1) Perform other duties as assigned by the Board of Directors, which is under the responsibility of the Audit Committee.

10.2) Conduct preliminary investigations when notified of suspicious behavior from the auditor regarding fraud or violation of laws regarding the performance of duties of directors and executives under Section 89/25 of Securities and Exchange Act and report the results of the inspection to the Office of the Securities and Exchange Commission and the auditor within 30 days from the date of receiving the notification from the auditor.

Member of the Audit Committee with experiences in reviewing the credibility of financial statement

Gen. Tienchai	Rubporn	Director
Ms. Jiraphon	Kawswat	Director

• The Nomination and Remuneration Committee

Members of the Nomination and Remuneration Committee as at December 31, 2022.

1) Mr. Thanwa	Laohasiriwong	Chairman
2) Mr. Teerapong	Wongsiwawilas	Director
3) Mr. Lavaron	Sangsnit	Director
Mr. Suppawat	Wadhanapatee	Secretary
Mr. Boonchird	Pikulyam	Assistant Secretary

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 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 Corporate Governance and Social Responsibility Committee**

Members of the Corporate Governance and Social Responsibility Committee as at December 31, 2022.

1) Prof. Dr. Kittipong	Kittayarak	Chairman
2) Mr. Vichai	Assarasakorn	Director
3) Dr. Kulaya	Tantitemit	Director
4) Ms. Jiraphon	Kawswat	Director
Mr. Krit	Chamapisit	Secretary

Details of Change of Directorship

1) Ms. Nitima	Thepvanangkul	Resigned from the position of Director of the Corporate Governance and Social Responsibility Committee on September 28, 2022.
2) Ms. Jiraphon	Kawswat	Took the position of the Director of the Corporate Governance and Social Responsibility Committee on October 26, 2022.

Details of Change of Directorship after December 31, 2022

1) Mr. Chamroen	Phothiyod	Took the position of the Director of the Corporate Governance and Social Responsibility Committee on January 11, 2023, replacing Dr. Kulaya Tantitemit who resigned from the position of Director of the Corporate Governance and Social Responsibility Committee on January 1, 2023.
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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 Risk Oversight Committee**

Members of the Risk Oversight Committee as at December 31, 2022

1) Mr. Krairit	Euchukanonchai	Chairman
2) Mr. Poonnis	Sakuntanaga	Director
3) Mr. Thanwa	Laohasiriwong	Director
4) Dr. Kulaya	Tantitemit	Director
5) Mr. Payong	Srivanich	Director
Mr. Ekachai	Techawiriyakul	Secretary

Detail of Changes of Directorship after December 31, 2022

- | | | |
|-----------------|-----------|---|
| 1) Mr. Chamroen | Phothiyod | Took the position of the Director of the Risk Oversight Committee on January 11, 2023, replacing Dr. Kulaya Tantitemit who resigned from the position of the Director of the Risk Oversight Committee on January 1, 2023. |
|-----------------|-----------|---|

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 Business Group, 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 Business Group 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 Business Group.

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

Members of the Compliance Committee as at December 31, 2022

- | | | |
|------------------------|------------------|---------------------|
| 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 |

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 Director Committee

Members of the Independent Director Committee as at December 31, 2022

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) Ms. Jiraphon	Kawswat	Director
Ms. Sineenard	Damri-Anant	Assistant Secretary

Detail of Changes of Directorship

1) Ms. Nitima	Thepvanangkul	Resigned from the position of Director of the Independent Director Committee on September 28, 2022.
2) Ms. Jiraphon	Kawswat	Took the position of the Director of the Independent Director Committee on October 26, 2022.

The Board of Directors places great importance to the roles and responsibilities of Independent Directors as they play an important role in ensuring adequate checks and balances in the structure of the Board of Directors. The structure of the Bank's Board of Directors should consist of more than half of the total number of Independent Directors. However, it depends on the suitability of each situation but the amount must not be less than the requirements of the relevant regulatory agencies. Each Independent Director is able to express independent opinions, give dissenting opinions, or make any other remarks in the Board of Directors' meetings with the objective of protecting the rights and benefits of shareholders and other stakeholders. This is to promote the implementation of the Bank's corporate governance. The independent directors have their own roles and responsibilities as an independent director. In this regard, the Board of Directors has enhanced the work of Independent Directors. It operates in the form of a committee panel in the same manner as other committees of the Bank. The Independent Director Committee Charter has been established. Qualifications, terms of office, including duties and responsibilities, are clearly specified in the Charter.

Duties and Responsibilities of the Independent Director 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 Business Group 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

- **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 once a month or as appropriate.

- **Business Operating Committee**

Business Operating 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 or as appropriate.

- **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 carry out affairs assigned by the Board of Directors, the Board of Executive Directors, the Compliance Committee, the Audit Committee, the Corporate Governance and Social Responsibility Committee and/or other related committees, and/or matters directed by the President. This includes considering and giving opinions on credits and 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 audit findings specified by the Bank of Thailand, Office of the Auditor General, or other agencies. The Committee considers assigning the relevant agencies or persons to report on the progress of the audit and takes actions 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

Top Executive Officers as at December 31, 2022

Name-Surname		Position
1. Mr. Payong	Srivanich	President
2. Ms. Paralee	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 Acting Group Head of Technology Group
11. Mr. Pongsit	Chaichatpornasuk	Senior Executive Vice President Group Head Compliance and Legal Management Group
12. Mr. Kittipat	Peantham	Senior Executive Vice President Group Head Government and State Enterprise Relations Group
13. Mr. Chanchai	Sinsuparatn	Senior Executive Vice President Group Head Retail Shared Services Group
14. Mr. Panabhand	Hankijjakul	Senior Executive Vice President Group Head Internal Audit Group
15. Mr. Chalerm	Pradidarecheep	Senior Executive Vice President Group Head Retail Banking Sales and Distribution Group
16. Ms. Suwanna	Anantanond	First Executive Vice President Group Head Credit Restructuring and Asset Management Group
17. Mr. Krit	Chamapisit	First Executive Vice President Group Head Communication and Branding Group
18. Mr. Thanakorn	Karnjananut	First Executive Vice President Group Head Global Business Development and Strategy Group
19. Mr. Rungruang	Sukkirdkijpi boon	Advisor to the President, Krungthai Bank Acting Group Head of Retail Banking Product and Strategy Group

Top Executive Officers who retired on December 31, 2022

- | | | |
|--------------|------------|---|
| 1. Mr. Santi | Parivisutt | Senior Executive Vice President Group Head, Operation Group |
|--------------|------------|---|

Details of changes of the Top Executive Officers in 2022

- | | | |
|------------------|------------------|---|
| 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 | Sukkirakjipiboon | Took the position of the Advisor to the President, Acting Group Head of Retail Banking Product and Strategy Group, replacing Mr. Pichit Jongsaliswang who resigned on January 1, 2022. |
| 3. Mr. Kittipat | Peantham | Get promoted from the position of First Executive Vice President Group Head to be Senior Executive Vice President Group Head of Government and State Enterprise Relations Group on August 11, 2022. |
| 4. Mr. Chanchai | Sinsuparatn | Get promoted from the position of First Executive Vice President Group Head to be Senior Executive Vice President Group Head of Retail Shared Services Group on August 11, 2022. |
| 5. Mr. Panabhand | Hankijjakul | Get promoted from the position of First Executive Vice President Group Head to be Senior Executive Vice President Group Head of Internal Audit Group on August 11, 2022. |
| 6. Mr. Chalerm | Pradidarecheep | Get promoted from the position of First Executive Vice President Group Head to be Senior Executive Vice President Group Head of Retail Banking Sales and Distribution Group on August 11, 2022. |
| 7. Mr. Thanakorn | Karnjananut | Took the position of First Executive Vice President Group Head of Global Business Development and Strategy Group on September 14, 2022 replacing the vacant position. |
| 8. Mr. Tawatchai | Cheevanon | Took the position of Senior Executive Vice President Group Head of Global Transaction Banking Group, Acting Group Head of Technology Group on October 28, 2022 replacing the vacant position. |

Details of changes of the Top Executive Officers after December 31, 2022

- | | | |
|-----------------|-------------|--|
| 1. Mr. Chanchai | Sinsuparatn | Took the position of Senior Executive Vice President Group Head of Retail Shared Services Group, Acting Group Head of Operation Group on January 1, 2023 replacing Mr. Santi Parivisutt who retired from the position. |
|-----------------|-------------|--|

7.4.2 Remuneration Policy for Top Executive Officers

The Nomination and Remuneration Committee has the responsibility to ensure that the President, the executives at the level of Executive Vice President or higher, and persons with management authority of the Bank receive remuneration that is appropriate to their duties and responsibilities. The appropriate remuneration shall be presented to the Board of Director annually for approval under transparent, clear and fair criteria and procedures, as well as the Bank's competitiveness compared to other leading financial institutions and companies in Thailand. This is in accordance with the Performance Driven Organization (PDO) policy leading to long-term sustainable success of the Bank's strategic plan. The Board of Directors shall consider the appropriate compensation in accordance with the Bank's policy which is associated with the Bank's performance both short and long term and in line with the performance of each executive. There shall be comparison with key performance indicators including financial indicators, indicators on creating a new business model under the parallel strategy- Carrier and Speedboat, and indicators on work process improvement and development to elevate the Bank's competitiveness and increase customer satisfaction. This also includes indicators related to business expansion from partners of customers through the X2G2X strategy, which is government-centric and connects business partners and retail customers with the efficiency of technology, along with indicators related to the Bank's sustainable success.

7.4.3 Remuneration for Top Executive Officers

In 2022, the Bank paid remuneration to Top Executive Officers as follows:

According to the definition by SEC, there are a total of 20 Top Executives, comprising the President, First Senior Executive Vice President, Senior Executive Vice Presidents and First Executive Vice Presidents. Their remuneration totaled 339.2 Million Baht. The Bank's Top Executives are divided into two groups. The first group consists of 17 executives, whom the Bank contributes to their provident funds in the amount of 283.3 Million Baht. The other group consists of 3 executives, whom the Bank does not contribute to their provident funds. The total remuneration of this latter group was 55.9 Million Baht. (The remuneration included the special remuneration payment 2021 for 1 top executive who retired in 2021 and received the special remuneration in 2022).

Remuneration of 75 Sector Heads (classified as the Management Authority according to the definition by BOT) totaled 464.9 Million Baht. They are divided into two groups. The first group consists of 72 executives, whom the Bank paid their salary, business unit allowance, extra gratuity, child allowance, child education allowance, housing allowance, social security money and contributed to their provident funds. The total remuneration of this group was 447.4 Million Baht. The other group consists of 3 executives, whom the Bank paid their salary, business unit allowance, extra gratuity, child allowance, child education allowance, housing allowance, social security money but does not contribute to their provident funds. The total remuneration of this group was 17.5 Million Baht. (The remuneration included the special remuneration payment 2021 for 3 top executives who retired in 2021 and received the special remuneration in 2022).

7.5 Information about Employees

As of December 31, 2022	Number of Employees
Executives	84
Group of Business Related Divisions	10,825
Group of Support Business Divisions	6,248
Total number of employees	17,157

- **Compensations for Employees**

The compensations given to the employees (including Top Executives) in 2022 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 20,033.1 Million Baht. As of December 31, 2022, the Bank has a total of 16,595 members in the provident fund.

- **Employee Training and Development**

Recruitment, supervision and human resource development are missions that the Bank places great importance on. The Bank has manpower planning and personnel training in line with the 2-Banking Models strategy - Carrier and Speedboat, to drive the business towards sustainability. The Bank focuses on recruiting and retaining high-potential employees along with providing skill development and training to employees through proactive human resource management policies. It starts by creating interaction and engagement with employees since they are in the university to create opportunities to recruit potential personnel in the fields

that are necessary to drive the future business. The Bank aims to create a positive image to attract potential employees. In addition, the Bank also focuses on retaining high potential employees as they are the Bank's key force in moving towards digital banking and preparing high-potential employees to be a successor for the higher position.

Meanwhile, the Bank has partnered with public and private educational institutions, especially universities, on initiatives related to human resource development in an attempt to create cooperation and recruit talented individuals to work with the Bank in the future. Currently, the Bank aims to strengthen its competitiveness in the digital banking industry and support its role as a pillar of the country's economy. Therefore, there is a cooperation on projects mainly related to digital technology and innovation under Krungthai Innovation and Digital Talent Resources Project through the Memorandum of Understanding on innovation partnership. This is to create cooperation with educational institutions in various regions according to target groups to develop knowledge and a network of competent personnels/potential in innovative technology and digital solutions to support the Speedboat organization in accordance with the Bank's new business model strategic plan. This is to support academic knowledge, job training with project-based learning and experiential learning, as well as integrated learning and network development of IT personnel through relationship building between the Bank and the internship program (Student Edge) from universities across the country. As a result, the Bank is able to achieve the recruitment target in accordance with the strategic plan to select potential students to join Krungthai Bank and companies in the Financial Business Group, i.e. Infinitas by Krungthai Co., Ltd. and Arise by Infinitas Co., Ltd., via a project-based format, especially in the areas of Agile & Scrum, Product Discovery and Design thinking, UI/UX, DevSecOps, Blockchain, etc. This is an exchange of learning and cooperation in developing technological innovations and business innovations, in addition to creating cooperation and finding talented personnel to join and support the Bank's future operations in the areas of Innovative Technology and Digital Solutions.

- **Succession Plan**

The Bank has a systematic, clear succession plan process that covers various levels of management executives, through the analysis of needs, manpower, required competencies, knowledge, skills, experiences and the Career Path Roadmap. The purpose is to recruit the potential candidates to keep up with rapid changes and business needs. The Bank believes that employees are important resources in business operations and that the organization's growth depends on quality employees, therefore the Bank aims to develop personnel's capability. In particular, the Bank motivates all employees to have the courage-to-change attitude and supports upskill/reskill training in order to respond to the future trend of work. Thus, the Bank also promotes a working approach under the Formula-1 Culture with responsibility and good governance principles.

The Bank has prepared executives and potential employees, namely scholarship students and high potential employees, to develop into the new generation of executives and to prevent a shortage of high-potential personnel who will become the Bank's executives in the future. In addition, an individual development plan (Individual OKR) and a career path roadmap have been established for important positions and to enable continuous and efficient succession plan, especially in the position of the executives from the Executive Vice President level and higher.

The Board of Directors assigned the Nomination and Remuneration Committee to be responsible for the continuity and consideration of appropriate management of the plans. This is to ensure that the Bank has a succession plan for recruiting, selecting and grooming personnel to replace critical positions in the Bank's operations in the event that such position becomes vacant because the previous person holding the position is appointed, transferred, retired, resigned or for any other reason. In this regard, the Bank takes into account equal opportunities to work for sustainable growth alongside the organization, and also encourages executives and employees to have the opportunity to rotate their jobs to work in other fields, as well as motivating the courage-to-change attitude and supporting upskill/reskill training to respond to the future of work trend. Besides, the Formula-1 Culture working style with responsibility and good governance is also promoted.

The Bank has guidelines for employee development to drive the Bank's strategy in accordance with the vision "Growing Together for **SUSTAINABILITY**". In this regard, the Bank takes into account the Bank's strategic plan, Group's strategic plan, policies of the executives and requirements for the development of executives and employees in various fields. This includes the need to develop knowledge and skills of employees and to provide new knowledge to employees who have changed job positions (Upskill & Reskill) in order for the employees to be able to work effectively and sustainably. There are development plans that cover all employee groups, as well as the leadership development plan, learning through the One Krungthai Application, and knowledge management. The key purpose is to develop the potential to create effective work of the employees by means of training in the form of classroom training and online training. Details are as follows:

1) Upskill & Reskill

- **Functional Skill Development** : Develop employees according to Functional Competencies for various work functions to elevate their operational potential, increase productivity, as well as building knowledge and understanding of the Bank's regulations and of the regulatory agencies. Various training courses have been organized such as Basic Credit Knowledge for Branch Employees, Product Sales Techniques via Telephone Channel, Use of Krungthai NEXT's New Features for Each Month's Release, Krungthai Wealth Academy for FP, Financial Credit Master, CPD For FP Module 1-5, Internal Audit Growing Data Analyst Bootcamp, Milestone Program to Reduce Bank Money Laundering Risks, Developing Consulting Skills of Internal Auditors (IA Consult), e-Auditing & Automation New Auditing, On-Boarding for Employees Transferred in Collateral Valuation and Verification Personnel Control and Development Team, and Preparation for Business in EEC.

- **Bridging Skill Development** : Employee development to increase knowledge and future skills.
 - o Data Management: Define Data Management skill development to strengthen Big Data analytics skills by using tools such as google analytics, google data studio, and tableau to generate business results. Various training courses have been organized such as Intro to Data Science, Exploratory Data Analysis, Mastering Google Data Studio, SAS Programming 1 : Essentials, SAS® Enterprise Guide® 2: Advanced Tasks and Querying, SAS Enterprise Guide 1: Querying and Reporting and Data Science & Big Data Analytic for Financial Institution.

- o Krungthai Hackathon Project: Encourage the creation of a corporate culture that focuses on employees participating in problem-solving approaches at the corporate level by means of brainstorming for solutions to problems and/or new ideas that can be applied to the Bank's future business operations. This includes the development of skills and potential (Upskill / Reskill) in the areas of innovation, creativity, and design thinking, and giving employees a good experience and motivation to propose ideas for the organization.

- **Digital Skill Development** : Implement digital skill development by organizing digital short courses from leading domestic and international institutes that focus on developing digital competencies or strengthening digital trends and mindset for digital upskilling and reskilling for potential employees in all lines of work, from both Carrier and Speedboat models, continuously. This comprises of courses aimed at developing Digital Intelligence skills such as AI for Everyone, Artificial Intelligence: Strategies for Leading Business Transformation, Digital Business Strategy: Harnessing Our Digital Future, Fintech Revolution: Transformative Financial Services and Strategies, courses aimed at improving Data Literacy skills i.e. Business Analytics: From Data to Insights, Data Science: Bridging Principles and Practice, courses aimed at developing Digital Communication i.e. Dashboard Design Principles, and courses aimed at developing flexible and agile working such as Agile Project Management. There are also digital courses that develop specific operational skills such as Visual Storytelling, Super Content, Characteristic Media Creation, How Digital Transformation for Banking & Financial, Understanding Digital Asset and Cryptocurrency, Cybersecurity Course for IT Auditors and IA+ Platform (AWP Project) etc.

2) Leadership Development

• Leadership Competencies

Focus on developing executives to be a smart and good person. Emphasis on developing necessary skills, including Design Thinking, OKRs, and Agile, to lead the organization through the era of rapid change. Particularly, the Leadership Enhancing Program has been organized.

• Leadership Development Program

To equip leaders with Transformative Leadership skill used to create change, the Change Leader role has been created for the team to expand the use of Design Thinking concepts and OKRs approach in working to solve significant problems/create new opportunities for the Bank. Krungthai Transformative Leadership Training has been organized for target groups in order to provide knowledge and understanding, and to be applied in creating tangible results and achieving maximum productivity and efficiency

3) ONE Krungthai Application

ONE Krungthai Application has been developed as a learning resource for employees to upskill and reskill. Employee development scheme is planned and implemented in collaboration with supervisors through the Training Dashboard to create Self-Learning Awareness for employees. In addition, the Bank has cooperated with various service providers both externally and internally. This allows employees to access a variety of learning and training more conveniently and easily. As a result, the Bank can develop the potential of employees to support future growth and create competitiveness effectively.

4) KM Transformation

The Bank has developed the knowledge management guidelines by establishing KM Committee from the representatives of each Group, including appointing employees as KM Agents and developing KM Experts as a trainer, who can transfer essential knowledge to interested employees through sharing sessions. This promotes the creation of a continuous learning atmosphere in the organization, resulting in an organizational culture of learning that can create value and good results for employees, customers, and stakeholders sustainably. Training courses on Knowledge Management (KM) have been organized for the Knowledge Management and Innovation Promotion Working Group, Critical Persons, and KM Agents in order to manage knowledge systematically. This initiates for sustainable internal learning as well as creating the sharing culture and fostering the learning organization with morality.

In 2022, the Bank organized both internal and external training for employees (both in domestic and international course) through various learning channels (classroom and online), in a total of 911 courses, with 1,816 classes. There are a total of 18,716 trained employees and the average duration of training is 72.18 hours/person/year.

7.6 Persons assigned to be directly responsible for overseeing bookkeeping, Corporate Secretary, Head of Internal Audit, Head of Compliance

- **Chief Financial Officer**

Ms. Saranya Vejikul

Senior Executive Vice President Group Head
Financial Management Group

- **Chief Accountant**

Mr. Kanok Suwanaratana

Senior Vice President Department Head, Accounting Department

- **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

Senior Executive Vice President Group Head
Internal Audit Group

- **Head of Compliance**

Ms. Dujhathai Somboonnitaya

Executive Vice President Sector Head
Compliance and Procedures Sector

Further details regarding the qualifications of the Chief Financial Officer in charge of bookkeeping in Accounting and Finance, Head of Accounting, Head of Internal Audit, Head of Compliance, including the qualifications and duties of the Corporate Secretary are shown in Attachment 1 and Attachment 3.

7.7 Auditor's Fee

- **Audit fee**

The Bank and its subsidiaries paid an audit fee for the fiscal year 2022 in the amount of 30,915,000 Baht.

- **Non-audit fee**

In the fiscal year 2022, the Bank and its subsidiaries paid compensation for other services, comprising hiring of tax consultants (Tax Call) for the year 2022, hiring of consultants for the Tax Review PND.50 project for the year 2021, outsourcing for the preparation of applications for tax privileges as assigned by the Bank, hiring of tax consultants to review and improve the tax process (Tax Health Check Phase 2), internal audit transformation training program and hiring of financial reporting consultants for management purposes. The total amount of the non-audit fee services paid during the fiscal year is 4,420,000 Baht, and the future payables amount is 9,459,000 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 2022, the Board of Directors considered Corporate Governance Compliance Principles based on the Bank's business context, which was reviewed with responsibility and prudence by the Corporate Governance and Social Responsibility Committee. The Board of Directors approved maintaining the appropriate policy of the CG Code Compliance and executing operations according to the business context of the Bank in order to create sustainable business value. In order to ensure the appropriate outcome, the Board of Directors has reviewed the bank's business operations in accordance with the CG Code in each principle. The summary is as follows:

- The Board of Directors oversees the company and strengthens good governance in order for it to become a financial institution for development and 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 boosts the country's competitiveness and reduces social inequality through stable, transparent, and long-term organizational management that employs technology and innovation to manage and provide financial services. The Bank establishes key objectives and goals for sustainable value creation. The Board should strengthen financial stability, provide shareholders with appropriate returns, and ensure top-ranking

product and service management. The Board of Directors approves the determination of the Bank's mission as follows:

Vision : Growing Together for **SUSTAINABILITY**

The Bank is determined to develop employee competency in order to support the growth and wealth of customers, enhance the quality of society and the environment, and generate outstanding and sustainable returns for shareholders.

Mission : Empowering **BETTER LIFE** for all Thais

The Bank is endeavored to develop financial technology and innovation in form of the Thailand open digital platform to enhance the quality of life of Thai people and all groups of customers in various dimensions, such as initiating learning to the people up to the foundation level to be able to take advantage of technology, reducing inequality of people in accessing the fundamentals of the digital economy and minimizing the gap in income distribution in society, as well as taking part in jointly developing Thai society to move towards a digital society and a cashless society. Meanwhile, the Bank also aims to create financial equality for Thai people, such as the opportunity to access capital sources, financial literacy, fundamental rights for government services, and income equality for the people, in an attempt to support the Bank to achieve its new mission.

Moral Identity: KTB Core value

The Bank has established KTB Core value "Integrity, Breakthrough, Efficiency, Social and Teamwork" and defined desirable behaviors of executives and employees in accordance with KTB Core value. This includes organizing the campaign for all executives and employees to jointly declare their intentions to work and behave with morality, ethics, and in compliance with rules, laws, and official regulations.

- Under corporate governance of organization management, the Board of Directors formulates strategies for short-term and long-term business operations in compliance with the company's mission and monitors the management's efforts to implement the strategic plans continuously and concretely. Furthermore, the Board provides the necessary resources to help them achieve their goals while ensuring appropriate communication and information disclosure, as well as performing duties with the awareness of honestly protecting shareholders' interests. The management must make a report to the board within the proper period for evaluation and annually review the Bank's vision, mission, core values, and strategies, including informing employees of the Bank's vision, mission, and directions in order to have correct understanding and operations moving in the same direction throughout the organization.

- The Board has reviewed and revised the Board of Directors' Charter, which outlines the powers and responsibilities of the Board of Directors as well as the roles and duties of the Chairman of the Board, for reference in the performance of all Board Directors' duties.

- The Board of Directors has approved and announced the implementation of the code of conduct since 1998. The code of conduct has been adjusted regularly in order to be appropriate and updated, as well as raising international standards and complying with dynamic circumstances and the Banking Industry Code of Conduct of the Thai Bankers' Association. The code of conduct is written for directors, executives, and employees as a guideline on standard practice, ethical business operations, and law compliance. Besides this, all staff should have the understanding and intention to comply with applicable laws. All supervisors at all levels shall have duties in monitoring to ensure that all employees are aware of, understand, and intend to adhere to the code of conduct as a part of their discipline.

Nevertheless, the current code of conduct, reviewed and approved by the Bank's Board of Directors, is divided into nine categories covering three key principles, i.e. integrity, fairness, and responsibility to stakeholders, which the Bank always adheres to as follows:

(1) Code of Business Conduct

It consists of practices on personal integrity, compliance with applicable law, ethical business principles, anti-corruption, anti-bribery, donation, giving back to the community, corporate social responsibility, environmental care, respect for human rights, respect for intellectual property rights, and government procurement.

(2) Role of Directors and Executives

It consists of principles governing administrative roles, supervisory roles, and transactions with the Bank.

(3) Service Standards

It consists of principles of the standard of terms and conditions of service, requirements of the service standard, and debt collection standards.

(4) Personnel and Establishment

It consists of principles of workplace diversity, employment equity, dignity at work, workplace safety, and fair treatment.

(5) Responsibility to Customer

It consists of principles of taking care of maximum benefits for customers, handling procedures of customer complaints and advertising and marketing activities.

(6) Conflict of Interest

It consists of principles of internal data usage and data blocking, personal investment activities, conflict avoidance and accepting and providing incentives.

(7) Data Management

It consists of principles of confidential data management and responsible communication.

(8) Overall Governance

It consists of principles of compliance culture and internal whistleblowing procedure.

(9) Trade Monopoly and Dispute Resolution

It consists of principles of trade monopoly and internal and external dispute resolution.

- The Board of Directors considered, reviewed annually, and approved the Bank's vision, mission, and strategies in order to be appropriate and comply with the business environment. The Bank processed the review systematically by considering prudently internal and external factors in all aspects: economy, politics, environment, current innovation and technology, and their future trends, including the Bank's readiness, expertise, and competitive capability. Moreover, the Bank collected data from various sources and related persons, including survey results of important stakeholders' needs and expectations and attitude survey results of employees, customers, and people, etc. The Bank defines the Bank's policy framework, vision, mission, strategy, and business plan, including monitoring and ensuring implementation to achieve the organization's goals. In the meantime, the Bank organizes a brainstorming meeting between the Bank's Board of Directors, management, and executives of the affiliated companies to determine strategic directions and important projects that will drive the business group to achieve strategic goals. In this regard, the management incorporates the comments received from the meeting into the formulation of the Bank's business plan and proposes it to the Board of Directors for approval. The Bank also communicates the Bank's strategic plans and business plans as well as important goals to employees in the organization, such as through the annual business strategy seminar between the Bank's Board of Directors and executives. This enables the executives, from the level of branch and office managers, including department head and higher, to acknowledge the management policy and direction as a guideline for proactive operations.

- The Board of Directors delegated the policy to initiate an obvious process, engagement channels or the communication channels between stakeholders and the Bank and defined groups

of stakeholders related to the Bank's insiders and outsiders, including guidelines for all stakeholders. The Bank formulated these issues in corporate governance policy and disclosed the principles such as treatment practices for stakeholders, stakeholder's opportunity in participation, whistleblowing and filling complaints through specified operation channels, etc.

- The Board of Directors has a policy for the Bank's treatment of stakeholders with respect to the rights under the relevant laws and not violating rights of stakeholders. It is required to provide a process to promote cooperation between the Bank and the interested parties in maintaining fair benefits as well as creating wealth and sustainability for the business.

- The Bank has established policy for determining guidelines for holding director positions in other companies in accordance with the regulations prescribed by the notifications of the Bank of Thailand and the principles of good corporate governance. Members of the Board of Directors must serve as president, executive director, or authorized director in no more than 3 business conglomerates and as directors in no more than 5 domestic and international listed companies.

- The Board of Directors supervises to have a framework and mechanism in place to ensure that the subsidiary and associated companies' policies and operations are adequate for each business investment.

- The Board of Directors has appointed a Corporate Secretary to carry out the actions required by law, including ensuring the smooth operation of the Board and access to necessary information. At present, Mr. Pongsit Chaichutpornasuk, 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 2022, there were 4 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 performs its duties with consciousness to protect the interests of shareholders with honesty and prudence, especially in approving the vision, mission, strategy, and other important issues related to the direction and policy of the Bank, including a business plan and annual budget, by using the principle of rationality and analyzing the business environment, environment, and society carefully. At the end of the 2nd quarter of each year, the Board of Directors shall hold a meeting to review the Bank's policies and goals and shall establish the Bank's business plan for the next year in the last quarter in order to pass it on to the management for brainstorming with the executives

of every department and every branch in the country to determine effective operational strategies in order to achieve the same goal.

For good corporate governance, the board and relevant executives shall have integrated management (Governance Risk & Compliance: GRC) and corporate governance compliance. The management process and operations must be linked, and there must be a clear person responsible for each step, from the bank's strategic planning, strategic plan, and business plan, to the determination of product launch policies, the development of tools, and processes and procedures to support the implementation of the bank's plans and policies, including results follow-up. In addition, the Board also controls and monitors the performance of the management to be transparent and in accordance with the Code of Conduct as well as oversees internal control and risk management in order to ensure appropriateness.

- The Board of Directors assigned the Nomination and Remuneration Committee to ensure that the 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 to the business strategy of the Bank. The process is to ensure that the Bank has a succession plan for recruiting, selecting and grooming executives at each level that is a critical position. The Bank prepared the one who will be executive or manager 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.

- 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 the Krungthai Academy Department to be responsible for the training and development of employees and executives, as well as gathering needs for the development of executives and employees, the Bank's strategic plan, and executives' policies in order to define the Bank's human resources development plan,

covering all necessary dimensions for the Bank's business operations. This is an improvement in working skills and new knowledge, as well as employee upskilling and reskilling, so that high-level executives and employees can do their jobs efficiently and effectively in a sustainable manner.

- Director Positions in Other Companies

1) President

The President can take the Director position in other companies, which shall not interfere with the exercise of his performance/duties as President of the Bank, and he must not engage the Bank or the position in the Bank in connection with that business. In this regard, the restriction on being a director in companies listed on the Stock Exchange of Thailand, both in the country and abroad, is limited to no more than 5 companies (including the Bank but excluding the companies acquired through debt restructuring). The Office of the President must submit for further approval from the Board of Directors. Information about director positions in other companies shall be disclosed to shareholders in the Annual Registration Statement (Form 56-1) One Report.

2) Other Positions of Employees

Employees shall comply with the employee's regulations of the Bank.

- The Bank managed the remuneration in compliance with its performance in both the short and long term and assessed performance with a Balanced Scorecard. Currently, the Bank manages its human resources using a Performance Driven Organization (PDO) model and develops a performance management system that plans, tracks, and appraises performance in alignment with the Bank's business strategies and in relation to both short-term and long-term remuneration that is suitable to the job description and capability of the management and all employees in the organization. In this regard, the Bank has clearly defined the process, method, and procedure for evaluating the President's performance.
- The Board of Directors supports human resource management in line with the direction and strategy of the Bank. Employees at all levels have knowledge and abilities, as well as appropriate motivation and fair treatment. The Bank has established a provident fund in order to ensure that its employees have sufficient savings for their retirement.
- The Board of Directors delivers policy to the Bank regarding the important mission of driving the country's economy, and creating business growth to step into a full range of digital banking that can satisfy all lifestyles of customers in the technology disruption era. Meanwhile, the Bank must take into consideration operating businesses with awareness of the environment, social, and governance (ESG) principles. The Board of Directors places importance on fostering an organizational culture that promotes innovation and supervises the management to use it as a part of reviewing the Bank's strategy, planning operation improvement, and promoting innovation creation in order to add value to the business in line with changing environmental conditions, including collaborating with partners to design and develop of Bank products and services.

- The Board of Directors encourages the Bank to practice Responsible Lending, which is a method of operating the banking business that promotes tangible and efficient sustainable banking by cultivating a corporate culture that prioritizes long-term growth over short-term profits. This approach has taken into consideration the risk in various aspects; including Environment, Social, and Governance (ESG) features. 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 ESG risk. The Bank shall analyze both positive and negative impacts, and the impact on the stakeholders arising from lending or being 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's management in order to balance the benefits of all stakeholders and defined it as a practice in corporate governance policy approved by the Board of Directors. Moreover, in order to ensure that various groups of stakeholders are treated in the same way and those employees and normal persons know the channels to express opinions and engage in the Bank's operations, the Bank has issued a guideline for the roles and participation of stakeholders and promulgated it throughout the organization since 2018.

- The Board of Directors approved the policy on social and environmental responsibility in order to announce the intention to conduct business with social and environmental responsibility under the vision Growing Together for [SUSTAINABILITY](#), aiming to develop personnel's potential to support growth and wealth for customers and better quality for society. The Bank serves as a financial institution alongside Thai people by providing financial services to people at all levels, assisting customers and Thai people in times of crisis, and encouraging strong growth in the Thai economy.

- The Board of Directors has recognized that the Bank is the country's leading financial institution that gives importance to risk management and systematic and effective risk control. The Committee has clearly formulated the risk management structure, policies, and guidelines for risk management as well as established a good risk governance framework in order to support business operations in line with the Bank's direction and target as detailed in the topic of Risk Factors.

- The Board of Directors has obviously determined the structure, policy, and framework for risk management to envelop all aspects of risk management in compliance with the frameworks prescribed by the Bank of Thailand (BOT). Thus, the Bank has adopted the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which is the framework specifying the structure of integrated risk management (Enterprise Risk Management: ERM) under the international standard. Its main principle is to connect the risk management process with strategic planning and business opportunities of the Bank in order to help integrate the

administration and managing risks for the whole organization. Risk Appetite and Risk Tolerance are determined in terms of both quantitative and qualitative aspects through setting as a specific value or as a range depending on the Key Risk Indicators used and the suitability in order that the Bank can achieve its objectives and goals. As a result, the Bank shall be able to set processes and guidelines as well as use various tools in risk management and the early warning system. Eventually, the aforementioned risk management policies and strategies will add more value to the organization, the shareholders, including all groups of stakeholders in a sustainable manner.

- The Board of Directors stipulated a policy for the Bank to foster a risk management culture. The Bank has a risk governance structure according to the principles of 3 Lines of Defense, covering from the Board of Directors, the Management to business units, which consists of all employees. It reflected the organizational structure and raised the level of risk management. The Risk Oversight Committee (ROC) was designated to drive and oversee risks to be in accordance with the policy and at the risk appetite level.

- The Board of Directors has stipulated a corporate governance strategy and reviewed short-term and long-term policies/approaches, and plans. The Board of Directors, executives, and employees are aware of the importance of driving anti-corruption in all forms under the "Krungthai Moral Initiative" by using the concept of "Inside-Out Blasting," providing fair services to customers (Market Conduct), developing procedures that prevent conflicts of interest, creating a Zero Tolerance corporate culture by fostering employees' awareness of morality and compliance with regulations to prevent potential misconduct from various risks, improving internal process standards, and preparing an anti-bribery guideline. In this regard, the "No Gift Policy" has been implemented in the year 2022 for the sixth consecutive year. The Chairman of the Board of Directors and President as leaders take action in declaring the intention to continue the Zero-Tolerance corporate culture and instill a consciousness in working with KTB Core value, namely Integrity, Breakthrough, Efficiency, Social and Teamwork as the DNA of the organization. This will drive the Bank towards becoming a moral organization. Particularly, the Bank adheres to the No Gift Policy project and continues the intention of "Moral Organization." The Bank asks for cooperation in refraining from giving gifts to executives and employees in order to jointly create a Zero-Tolerance corporate culture and instill employees' consciousness in working with honesty and transparency, as well as drive the Bank towards becoming a moral organization. The Bank would like to express thanks and accept all good wishes and hold on to the intention of the "No Gift Policy" in every festival to campaign for a good corporate culture with honesty, morality, and ethics, promote good corporate governance; act with transparency and anti-corruption; and integrate cooperation in reforming the anti-corruption process

- The Board of Directors has approved an anti-corruption and anti-bribery policy that has been regularly adjusted to be adequate and updated in accordance with the changing situations. The Bank has announced the latest anti-bribery and corruption policy and published on the Bank's website.

- The Board of Directors has a policy that the Bank has proactively implemented risk management and 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 opportunities to stakeholders to report any wrongdoing through various channels. Any wrongdoing, including corruption, illegality, or violations of the Bank's or regulators' regulations, committed by directors, executives, staff, employees, or subsidiaries' staff, can be reported directly to the Chairman of the Board of Directors via email: whistletruth@krungthai.com. Anyhow, the name of the whistleblower will be kept confidential and protected during the examination and after the process finishes.

- The Board of Directors has given importance to supervision and management of Subsidiaries and Associate groups to strictly comply with the policies.

- The Board of Directors has a policy to encourage the Bank to disclose its information in compliance with laws, regulations, obligations, and crucial standards that the Bank has strictly followed. Moreover, the Bank has issued guidelines for information disclosure and transparency and announced their implementation as a practice and standard for employees at all levels in all departments in both the central and regional sectors. The guideline is published on the Bank's website, where interested persons can download it.

- The Board of Directors has supervised the Bank to disclose information about financial status and operation results according to the criteria of related regulators by submitting financial report on a quarter and annual basis as per the criteria and within the prescribed time and publicizing the report in Thai and English version through electronic news on the website of the Stock Exchange of Thailand and the Bank so that shareholders can access the report equally. However, the Bank has placed importance on the preparation of financial statements to be accurate in accordance with generally accepted accounting standards and choose to use the appropriate accounting policy and comply with it regularly. The financial statements of the Bank have been unconditionally certified by the auditor. The Bank has never been ordered to amend the financial statements by the Securities and Exchange Commission and never delayed submission of the financial report or was charged fines.

- The Board of Directors has a policy for the Bank to prepare the Management Discussion and Analysis (MD&A) of financial status, operating results, and crucial changes, including factors affecting the Bank's financial status and operating results, and to publicize the explanation and analysis in Thai and English versions through electronic news on the website of the Stock Exchange of Thailand and the Bank so that investors can access the report equally.

- The Board of Directors has a policy that the Bank shall prepare a report on compliance with the good corporate governance principle on an annual basis as detailed in Form 56-1

One Report, which is publicized through electronic news on the website of the Stock Exchange of Thailand and the Bank website so that shareholders can access the report equally.

- The Board of Directors has a policy that the Bank shall prepare a 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 the Global Reporting Initiative as a framework for information disclosure of the Bank's operations at the core level, covering sustainability in operations. The Bank has published it on the Bank's website, where interested persons can download it.
- The Bank assigns Finance Strategy Team, as investor relations responsible for the disclosure of important information of the Bank that are beneficial to investors, securities analysts, as well as all related parties equally.
- The Board of Directors has established a policy requiring the Bank to disclose information required by law and others as deemed appropriate with transparency, equality, and timeliness. The Bank has prepared a guideline for information disclosure and transparency, announced, and publicized on the Bank's website, where interested persons can download it.
- 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 Director

The Board of Directors nominated the independent directors with prudence and transparency. After all this time, the Bank completely complied with the process of nomination and appointment of independent directors. On December 31, 2022, the Bank had 6 independent directors out of a total of 12 directors. It is calculated as 50 percent of the Board of Directors. All independent directors are qualified, knowledgeable, capable, and experienced, which is beneficial to the business of the Bank. All independent directors perform their duties with responsibility, cautiousness, and honesty, as well as in compliance with laws, objectives, regulations of the Bank and the meeting resolution. Moreover, independent directors independently perform their duties. Their work process is independent from the management and major shareholders of the Bank. Independent directors oversee the appropriate benefit integration of stakeholders within the Bank's business operations, as well as ensuring that no Independent Director holds an equal level position in the Bank's parent company, subsidiaries, or subsidiaries.

• Process of Nomination and Appointment of Independent Directors

The process of nomination and appointment of Independent Directors is the same as the process of nomination and appointment of other directors. Besides director qualifications, Independent Directors must possess complete qualifications in compliance with the Bank's definition of independent director as follows:

Definition of Independent Director

Independent director must not have any business or work related to commercial banks that might have an impact on his/her independent decision-making and must have additional qualifications which are more intensive than the Capital Market Supervisory Board's regulations in terms of (a) shareholding and (b) formal relationship regarding the participation in management.

(a) An independent director holds not more than 0.5 percent of all shares with voting rights of the Bank, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority of the Bank. This is inclusive of shares held by anyone who is affiliated with such independent director.

(b) An independent director is not being or having been a director which is not an independent director, employees, staff, consultant with monthly salary or entity with controlling authority over the Bank, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority of the Bank, unless such person has resigned from such positions for at least two years. Such prohibitions shall not apply to an independent director who has been a government officer or an advisor of a government authority that is the major shareholder or a regulator of the Bank.

(c) An independent director has no connection by blood or legal registration as father, mother, spouse, sibling, son/daughter or spouse of son/daughter of another director. 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 they have been free of the nature for at least two years.

Such a business relationship is inclusive of a trading transaction occurring on a conventional basis or in the conduct of business; a rent or lease of property; a transaction involving assets or services; a provision or an acceptance of financial assistance through means of a loan, a guarantee, or the use of

an asset as collateral against debt; and, other similar actions that result in the Bank or the party to the contract having a debt to be repaid to another party for an amount from 3 percent of net tangible assets (NTA) of the Bank or from 20 million Baht, whichever is lower; The value of the business relationship shall be determined using the calculation method for determining the value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions, *mutatis mutandis*. The value of the obligation shall include any obligations incurred during the period of 1 year preceding the date of the business relationship with the same entity or person.

(e) An independent director is neither being nor used to be an auditor of the Bank, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority of the Bank, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Bank, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority of the Bank unless the foregoing status has ended no less than 2 years.

(f) An independent director is neither being nor used to be a professional service provider, including legal advisor or financial advisor who receives service fee exceeding Baht 2 million from the Bank, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority of the Bank, and not being a significant shareholder, controlling person or partner of the said professional service provider unless the foregoing status has ended no less than 2 years.

(g) An independent director is not a director appointed as a representative of the Bank's director, major shareholder, or shareholder related to the major shareholder.

(h) An independent director is not undertaking a business of the same nature and in competition with the Bank or a subsidiary company, or not being a significant partner of a partnership, or executive director, employee, staff, advisor with monthly salary, or hold shares exceeding 1 percent of the total number of shares with voting rights of any other companies operating the business of the same nature and in competition with the Bank or a subsidiary company.

(i) An independent director does not have any other characteristics that prohibit the expression of independent opinion towards the Bank's business operation.

(j) An independent director must be a person who has passed the nomination process of the Board of Directors or the Nomination and Remuneration Committee.

After being appointed as Independent Directors with the characteristics under paragraph one (a) to (j), they may be assigned by the Board of Directors to make collective decisions involving the business of the Bank, the parent company, a subsidiary, an associated company, a subsidiary of equal level, a major shareholder or an entity with controlling authority, which can be decided in the form of a collective decision.

Furthermore, when the Capital Market Supervisory Board/the Securities and Exchange Commission announces any improvement/relaxation of the qualifications of Independent Director, it will then be applied afterward.

In case the person who is nominated to be an Independent Director, is the person who has / has had a business relationship or professional service exceeding the value specified in the definition of Independent Director, the Bank will arrange for the Board of Directors' opinion which is considered in compliance with the principle in section 89/7 of Securities and Exchange Act, B.E.2535 and the additional revision stated that the appointment will not interfere with the exercise of independent judgment in the Independent Directors' responsibilities. The Bank shall disclose the following information in the invitation letter of shareholders' meeting in the period of appointing Independent Directors.

- Manner of business relationship or professional service causing the said person not being qualified under the prescribed criteria

- Reason and necessity to maintain or to appoint the said person as the Independent Director

- Opinion of the Board of Directors to nominate the said person as the Independent Director

- **Business Relationship of Independent Directors**

According to the Notification of the Capital Market Supervisory Board Tor Chor. 39/2559, subject: Application for and Approval of Offer for Sale of Newly Issued Shares, the Bank discloses relevant information concerning the business relationship of Independent Directors in an amount from three percent of the net tangible assets of the Bank or from twenty million Baht and above, whichever is lower. The Bank uses the criteria of value twenty million Baht and higher. Details are as follows:

As at December 31, 2022, there were 5 Independent Directors namely:

1. Mr. Vichai Assarasakorn took the positions of Director in Panel Plus co., Ltd., Director at the Panel Plus MDF Company Limited, the Chairman, the Independent Director and the Chairman of the Audit Committee at Asian Alliance International Co.,Ltd. For the past two years, he has been in the position of Independent Director and the Member of the Audit Committee at Asian Sea Corporation PCL.

2. Prof. Dr. Kittipong Kittayarak took the positions of Independent Director and Member of the Nomination, Remuneration and Corporate Governance Committee at Dusit Thani PLC., Independent Director, Member of Audit Committee, Member of Corporate Governance and Sustainable Development Committee at Charoen Pokphand Foods PCL., Independent Director and Member of the Audit Committee at True Corporation PCL., and Independent Director at CP ALL PCL. For the past two years, he has held the position of Independent Director and Chairman of the Audit Committee at PTT Plc.

3. Mr. Thanwa Laohasiriwong took the positions of Independent Director and Chairman of the Audit Committee at TPBI PCL., and Independent Director, Member of the Audit Committee and Member of the Corporate Governance and Sustainable Development Committee at Global Green Chemicals PLC.

4. Mr. Teerapong Wongsawilas took the positions of is an Independent Director and Member of the Audit Committee, and Member of the Nomination & Remuneration Committee at PTT Exploration and Production PCL. For the past

two years, he has been Independent Director and Member of the Audit Committee at Bangchak Corporation Plc.

5. Ms. Jiraphon Kawswat has been the Director and Member of the Enterprise Risk Management Committee, acting Chief Executive Officer and President at PTT Oil and Retail Business Plc. for the past two years.

These 14 juristic person offices have a business relationship with the Bank. The Bank grants credit lines and contingent liabilities in excess of twenty million Baht. The Board of Directors has considered the qualifications of all Independent Directors with responsibility, prudence, and honesty, according to Duty and Responsibility of Directors and Executives under the Securities and Exchange Act B.E. 2535 (1992) and amendments thereto. The Board of Directors is of the opinion that having a business relationship or former business relationship as abovementioned is a normal business transaction for the Bank's business and it has general commercial terms and conditions. There are no characteristics that may hinder the use of judgment and do not affect the performance of duties, giving independent opinions, or being in accordance with the relevant criteria.

(2) Nomination of the Directors and the President

• Director Nomination

1. The Nomination and Remuneration Committee is responsible for the selection and nomination of directors according to the legal process and good corporate governance principles. The Committee considers the nomination of directors from various sources, including a director pool that provides proper director qualifications according to the relevant rules and regulations, the Bank's regulations and good corporate governance, together with the Charter of the Board of Directors in order to acquire a director with knowledge and expertise according to the predetermined skill matrix that is in line with the current and future missions and strategies of the Bank, including the sustainable development of the Bank. In this regard, the Committee considers the size, composition, and diversity that is appropriate to the organization in terms of gender, religion, culture, nationality, race, age, educational background, work experience, skills, or knowledge, as well as any other differences that are consistent with the law and social context for the board to be diversified, which causes different opinions and perspectives. This will benefit all stakeholders and promote sustainable growth. As at December 31, 2022, the Board of Directors consists of 2 female directors, namely Ms. Jiraphon Kawswat and Dr. Kulaya Tantitemit.

In the case of recruiting individuals to replace directors whose terms of office have expired, the Nomination and Remuneration Committee shall consider candidates (if any) by allowing minority shareholders to nominate individuals for consideration and appointment as directors prior to the annual general meeting of shareholders, or by considering past performance for re-election to directorship positions.

2. The Nomination and Remuneration Committee proposes the name list of the nominated persons and opinion to the Board of Directors

3. The Board of Directors approve the proposal of the names of the nominated persons for requesting an approval of

the appointment of directors from the related regulatory agencies.

4. The Board of Directors proceeds on a case-by-case basis as follows:

4.1 In the case of the appointment of directors to replace the directors retiring after completing the term of office

The Board of Directors proposes a candidate to the shareholders meeting. The directors who are retired by completing the term of office may be re-elected. Rules and procedures for election of directors are as follows:

- 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.

- Persons who receive the highest votes in descending order are elected as directors, equal to the number of directors that should be or should be elected at that time. In the event that the person elected in descending order, has equal votes and exceeds the number of Directors that should be nominated at that time, the Chairman of the meeting will give a casting vote for a final result. For nominating a person to be appointed as a Director, it must be approved by the Bank of Thailand before presenting to the shareholders' meeting.

4.2 In case of nomination of directors to replace vacancies in other cases which are not the cases of 4.1

The Board of Directors (number of votes must not less than 3 of 4 of remaining Directors) appoints a person to be a director as well as holding the position for the remaining term of the director he replaces.

5. Internal departments of the Bank register the change of directors with the Ministry of Commerce as well as reporting to the relevant departments within specified time.

After all this time, the Bank complies with the process of nomination and appointment of directors correctly and completely.

• Nomination of the President

The Nomination and Remuneration Committee is responsible for recruiting, selecting, or screening nominees to be considered appointing the position of President according to the transparent recruitment and selection process without discrimination in terms of different aspects. By announcing the recruitment, it gives opportunities to people with knowledge and ability, experience in managing a large organization, leadership, and vision to be elected as the President. The Bank will appoint a special committee to recruit and select a person who has appropriate knowledge, ability, and experience in line with the strategic direction of the business strategy and sustainable development of the Bank, including the determination of compensation before proposing to the Board of Directors for consideration, and the selected nominee will be appointed according to the processes and procedures of the Bank respectively.

• Nomination of Group Head

The Board of Directors has assigned the Nomination and Remuneration Committee to recruit, select or

screen candidates to consider appointing top executives and management authorities according to a transparent recruitment and selection process without discrimination. The Board of Directors, in collaboration with the President, Human Resources and Corporate Governance Group and related Group recruits appropriate individuals from the successor pool, both within and across Groups if the job description is similar and they can perform duties on each other's behalf. Successors must be individuals with high potential, good performance, and being in the talent group of the Bank's with expertise, work experience, and competencies that are suitable for duties and responsibilities, as well as a good attitude and having no history of disciplinary offenses. In addition, the Bank also considers successors from affiliated companies to be included in the Bank's pool, including consideration for employees of the Bank to work in affiliated companies according to the One Krungthai policy. This enables the executives to have the opportunity to work in other fields to learn new jobs and empowerment, including strengthening the continuous self-improvement, which is beneficial to the operations of the Bank and initiating the effective management. However, in case the Bank considers that it is unable to recruit a suitable internal person to replace the executive position in time, it will consider recruiting outsiders who have knowledge, ability, skills, and experience, leadership, vision, and a good attitude towards the organization to work with the Bank and propose to the Board of Directors for consideration and approval before proposing the selection consideration to the Bank of Thailand for approval respectively.

Enhancing the Board of Directors Effectiveness

The Board of Directors ensures that each member of the Board is knowledgeable and understands the roles, responsibilities, nature of business, and laws governing the Bank's operations. In this regard, on every occasion a new director is appointed, the Bank will arrange for an orientation or presentation of the directors' handbook so that a new member understands information about the Bank such as business plans, products and services, shareholder and capital structure, organizational structure, and legal issues that he or she should be aware of in order to perform duties as a member of the Board of Directors for the listed company.

Orientation for New Director

The 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 pay out policy
- Important documents of the Bank, such as certificates by the Ministry of Commerce, the memorandum of association

Efficiency Plan for the Board of Directors' Corporate Governance

The Board of Directors uses the results of the Board of Directors assessment analysis and the guidelines according to the strategies of the Bank in establishing guidelines for enhancing skills (Skill Matrix), knowledge as well as the development of the Board of Directors, aiming for an effective Board of Directors. The Secretary of the Board of Directors shall coordinate with relevant authorities in the private and public sector for both onshore and offshore. Moreover, training programs and activities such as study visits, exchanges of knowledge and experiences on the Bank's strategy and important technology are provided to the Board of Directors in order that the Board of Directors can bring in the unique knowledge and technology of new finance and trade to apply to the business operation of the Bank, leading to proactive change and ability to compete with future competitors.

Board of Directors' Corporate Governance Efficiency Plan 2022

The Board of Directors had a policy of taking the opinions, suggestions of the Board of Directors and the skills and expertise (Skill Matrix) of the Board of Directors both through educational qualifications and work experience in line with the Bank's strategy as well as preparing the Board of Directors' corporate governance enhancement plan. It consists of 4 types, namely (1) training, (2) seminar (3) study visits (4) roaming meetings and operational visits of the Bank's businesses/businesses of Bank customers.

Summary of the Directors' training and seminar during the year 2022

In 2022, a total of 12 Directors attended training courses and seminars, or 100% of the total number of Directors. There are a total of 6 training courses and seminar, with details as follows:

(1) Training

12 Directors attended the training, totaling 6 courses.

Course	Performance according to the annual plan 2022																								
1. Director Leadership Certification Program (DLCP) by Thai Institute of Directors Association (IOD)	One director participated in the course Mr. Teerapong Wongsawilas																								
2. Board Nomination and Compensation Program (BNCP) by Thai Institute of Directors Association (IOD)	One director participated in the course Mr. Teerapong Wongsawilas																								
3. Role of Chairman Program (RCP) by Thai Institute of Directors Association (IOD)	One director participated in the course Ms. Jiraphon Kawswat																								
4. Advanced Audit Committee Program (AACP) by Thai Institute of Directors Association (IOD)	One director participated in the course Ms. Jiraphon Kawswat																								
5. Cyber Security Awareness 2022 Krungthai Bank PCL. with external lecturer	Twelve directors participated in the course: <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>Wongsawilas</td></tr> <tr> <td>General Tienchai</td><td>Rubporn</td></tr> <tr> <td>Mr. Poonnis</td><td>Sakuntanaga</td></tr> <tr> <td>Mr. Lavaron</td><td>Sangsnit</td></tr> <tr> <td>Dr. Kulaya</td><td>Tantitemit</td></tr> <tr> <td>Ms. Jiraphon</td><td>Kawswat</td></tr> <tr> <td>Mr. Payong</td><td>Srivannich</td></tr> </table>	Mr. Krisada	Chinavicharana	Mr. Krairit	Euchukanonchai	Mr. Vichai	Assarasakorn	Prof.Dr. Kittipong	Kittayarak	Mr. Thanwa	Laohasiriwong	Mr. Teerapong	Wongsawilas	General Tienchai	Rubporn	Mr. Poonnis	Sakuntanaga	Mr. Lavaron	Sangsnit	Dr. Kulaya	Tantitemit	Ms. Jiraphon	Kawswat	Mr. Payong	Srivannich
Mr. Krisada	Chinavicharana																								
Mr. Krairit	Euchukanonchai																								
Mr. Vichai	Assarasakorn																								
Prof.Dr. Kittipong	Kittayarak																								
Mr. Thanwa	Laohasiriwong																								
Mr. Teerapong	Wongsawilas																								
General Tienchai	Rubporn																								
Mr. Poonnis	Sakuntanaga																								
Mr. Lavaron	Sangsnit																								
Dr. Kulaya	Tantitemit																								
Ms. Jiraphon	Kawswat																								
Mr. Payong	Srivannich																								
6. Rule of Law for Democracy Course College of the Constitutional Court	College of the Constitutional Court Mr. Lavaron Sangsnit																								

(2) Study visit

In October 2022, the Bank's Board of Directors traveled to Europe, the United Kingdom and Schengen countries to observe the banks' strategies in European countries that have a body of knowledge or recognized leading companies that meet digital banking needs, including having comprehensive knowledge of open banking platforms and using innovation to carry out strategic plans and accommodate for the upcoming competition with financial institutions.

A summary of training programs for all directors of the Bank are as follows:

Name of the Board of Director		Training Program and Class
1. Mr. Krisada	Chinavicharana	<ol style="list-style-type: none"> Class 54, National Defence Course, National Defence College Class 186/2014, Director Certification Program (DCP), Thai Institute of Directors Project of Senior Executives Improvement, Office of the Civil Service Commission, 2010 Financial Instrument and Market, Harvard Business School Security Awareness 2021, Krungthai Bank PCL with external lecturer Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer
2. Mr. Krairit	Euchukanonchai	<ol style="list-style-type: none"> Class 16/2007, Role of Chairman Program (RCP), Thai Institute of Directors Class 59/2005, Director Certification Program (DCP), Thai Institute of Directors Top Executive Program in Energy Literacy, Thailand Energy Academy Security Awareness 2021, Krungthai Bank PCL with external lecturer Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer
3. Mr. Vichai	Assarasakorn	<ol style="list-style-type: none"> Class 22, National Defence Course for the Joint State-Private Sectors, The National Defence College Class 215/2016, Director Certification Program (DCP), Thai Institute of Directors Class 7/2016, Top Executive Program in Energy Literacy, Thailand Energy Academy Class 8/2015, Top Executive Program in Commerce and Trade (TEPCoT), Commerce Academy, University of the Thai Chamber of Commerce ASEAN Executive Management Programme, Year 2013, Sasin Graduate Institute of Business Administration of Chulalongkorn University (Sasin) Class 12/2011, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, Year 2018, ACIS Professional Center Cyber Resilience Program, Year 2021, the Bank of Thailand Security Awareness 2021, Krungthai Bank PCL with external lecturer Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer

Name of the Board of Director	Training Program and Class
4. Mr. Thanwa Laohasiriwong	<ol style="list-style-type: none"> 1. Class 60, National Defence Course, National Defence College 2. Class 13/2021, Board Nomination and Compensation Program (BNCP), Thai Institute of Directors 3. Class 45/2019, Role of the Chairman Program (RCP), Thai Institute of Directors 4. Class 2/2017, Boardroom Success through Financing, and Investment (BF), Thai Institute of Directors 5. Class 2/2016, Driving Company Success with IT Governance (ITG), Thai Institute of Directors 6. Class 20/2015, Advanced Audit Committee Program (AACP), Thai Institute of Directors 7. Class 1/2015, Ethical Leadership Program (ELP), Thai Institute of Directors 8. Class 22/2014, Successful Formulation & Execution of Strategy (SFE), Thai Institute of Directors 9. Class 10/2004, Finance for Non-Finance Directors (FND), Thai Institute of Directors 10. Class 43/2014, Director Certification Program (DCP), Thai Institute of Directors 11. IBM/Harvard Management Development Program Year 2001 12. IBM/INSEAD Management Development Program Year 1998 13. Environmental Governance for Executive Officer, Class 4/2016, Department of Environmental Quality Promotion (DEQP), Ministry of Natural Resources and Environment 14. Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation Year 2018, ACIS Professional Center 15. Class 20/2019, Corporate Governance for Director and Top Management of State Owned Enterprise and Public Organization Course (PDI), King Prajadhipok's Institute 16. Class 13/2019, Top Executive in Energy Expertise, Thailand Energy Academy 17. Class 3/2019, Executive Program on Rule of Law and Development (RoLD), Thailand Institute of Justice 18. Class 30/2020, Top Executive, Capital Market Academy, The Stock Exchange of Thailand 19. Year 2020, Cyber Resilience, the Bank of Thailand 20. Year 2021, Cyber Resilience Program, the Bank of Thailand 21. Security Awareness 2021, Krungthai Bank PCL with external lecturer 22. Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer

Name of the Board of Director	Training Program and Class
5. Prof.Dr. Kittipong Kittayarak	<ol style="list-style-type: none"> Class 49, National Defence Course, National Defence College Class 112/2014, Director Accreditation Program (DAP), Thai Institute of Directors Class 18/2015, Advanced Audit Committee Program (AACP), Thai Institute of Directors 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 Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, Year 2018, ACIS Professional Center Cyber Resilience, The Bank of Thailand (2020) Security Awareness 2021, Krungthai Bank PCL with external lecturer Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer
6. Mr. Teerapong Wongsirawilas	<ol style="list-style-type: none"> Class 6/2022, Director Leadership Certification Program (DLCP), Thai Institute of Directors Class 13/2022, Board Nomination and Compensation Program (BNCP), Thai Institute of Directors Class 246/2017, Director Certification Program (DCP), Thai Institute of Directors Class 57, National Defence Course, National Defence College Class 8, Top Executive Program, Office of the Civil Service Commission (OCSC) Class 12, Public Administration and Law for Executive, King Prajadhipok's Institute Security Awareness 2021, Krungthai Bank PCL with external lecturer Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer
7. General Tienchai Rubporn	<ol style="list-style-type: none"> Class 2/2021, Refreshment Training Program (RFP), Thai Institute of Directors Class 240/2017, Director Certification Program (DCP), Thai Institute of Directors Class 22/2016, Advanced Audit Committee Program (AACP), Thai Institute of Directors Class 3/2016, Ethical Leadership Program (ELP), Thai Institute of Directors Class 2/2016, Driving Company Success with IT Governance (ITG), Thai Institute of Directors Class 15/2016, Corporate Governance for Capital Market Intermediaries (CGI), Thai Institute of Directors

Name of the Board of Director	Training Program and Class
7. General Tienchai Rubporn (con.)	<ul style="list-style-type: none"> 7. Class 28/2016, Successful Formulation & Execution of Strategy (SFE), Thai Institute of Directors 8. Class 28/2015, Financial Statements for Director (FSD), Thai Institute of Directors 9. Class 121/2015, Director Accreditation Program (DAP), Thai Institute of Directors 10. Class 47, Security Studies Program, Royal Thai Army War College 11. Resource Management Introductory Course, United States Army Finance School Fort Benjamin Harrison, Indiana, United States of America 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 16. Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer
8. Mr. Poonnis Sakuntanaga	<ul style="list-style-type: none"> 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. Cyber Resilience Program, Year 2019, the Bank of Thailand 13. Cyber Resilience Program, Year 2020, the Bank of Thailand 14. Security Awareness 2021, Krungthai Bank PCL with external lecturer 15. Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer

Name of the Board of Director		Training Program and Class
9. Mr. Lavaron	Sangsnit	<ol style="list-style-type: none"> 1. Class 58, National Defence Course, National Defence College 2. Class 205/2015, Director Certification Program (DCP), Thai Institute of Directors 3. Class 10/2022, Rule of Law for Democracy Course, College of the Constitutional Court 4. Class 12/2018, Top Executive Program in Energy Literacy, Thailand Energy Academy 5. Class 25/2017, Top Management Program, Capital Market Academy 6. Class 7, Top Executive Development: Government Administrators, Office of The Civil Service Commission 7. Security Awareness 2021, Krungthai Bank PCL with external lecturer 8. Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer
10. Dr.Kulaya	Tantitemit	<ol style="list-style-type: none"> 1. Class 5/2018, Board Matters and Trends (BMT), Thai Institute of Directors 2. Class 7/2017, Ethical Leadership Program (ELP), Thai Institute of Directors 3. Class 239/2017, Director Certification Program (DCP), Thai Institute of Directors 4. Class 82, Top Executive Development: Leader with vision and morality, Office of The Civil Service Commission 5. Class 6, Diplomatic Executive Program, Devawongse Varopakarn Institute of Foreign Affairs, Ministry of Foreign Affairs 6. Security Awareness 2021, Krungthai Bank PCL with external lecturer 7. Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer
11. Ms. Jiraphon	Kawswat	<ol style="list-style-type: none"> 1. Class 51/2022, Role of Chairman Program (RCP), Thai Institute of Directors Association (IOD) 2. Class 46/2022, Advanced Audit Committee Program, Thai Institute of Directors Association (IOD) 3. Director Leadership Certification Program (DLCP) 2021, Thai Institute of Directors 4. Class 2/2014, Director Certification Program Update (DCPU), Thai Institute of Directors 5. Class 6/2014, How to Develop a Risk Management Plan (HRP), Thai Institute of Directors 6. Class 21/2014, Successful Formulation & Execution of Strategy (SFE), Thai Institute of Directors 7. Class 180/2013, Director Certification Program (DCP), Thai Institute of Directors

Name of the Board of Director		Training Program and Class
11. Ms. Jiraphon Kawswat (con.)		<ol style="list-style-type: none"> Executive Development Program (EDP), Thai Listed Companies Association Class 20, Corporate Governance for Director and Top Management of State Owned Enterprise and Public Organization (PDI), King Prajadhipok's Institute Class 3, Rule of Law and Development Executive, Thailand Institute of Justice Class 12, Top Executive in Energy Expertise, Thailand Energy Academy Class 26/2018, Top Executive, Capital Market Academy Senior Executiv Program, London Business School, United Kingdom Leadership Development Program III (LDP III) for senior PTT executives Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer
12. Mr. Payong Srivanich		<ol style="list-style-type: none"> Class 223/2016, Director Certification Program (DCP), Thai Institute of Directors Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation Year 2018, ACIS Professional Center Executives Training and Development Program, Royal Thai Police TIJ Executive Program on the Rule of Law and Development : RoLD 2019, Thailand Institute of Justice Security Awareness 2021, Krungthai Bank PCL with external lecturer Cyber Security Awareness 2022, Krungthai Bank PCL with external lecturer

At the meeting of the Board of Directors no. 22/2565 (1096) on December 28, 2022, the Board of Directors considered approval to enhance the Long-Term Corporate Governance Efficiency Plan (2023 — 2025) as proposed. The key issues were summarized as follows:

Board of Directors' Long-Term Corporate Governance Efficiency Plan (2023 - 2025)

It was implemented in compliance with the Board of Directors' corporate governance enhancement plan 2022 by using the analysis of the Board of Directors' performance assessment which the Board of Directors has jointly considered, including the Board of Directors' skill matrix to establish guidelines for enhancing skills, knowledge and development of Directors. The purpose is to boost up the skill matrix of Directors to be in line with the Bank's mission and strategy as well as strengthening an effective Board of Directors. It consists of 4 types of action plans: (1) training, (2) seminars, (3) study tours, and (4) mobile meetings and visiting the businesses of the Bank's customers. The implementation of the action plan is in accordance with appropriateness and situation for the best interest of the Bank.

Performance Evaluation of the Directors

According to the Charter of the Board of Directors, the Board of Directors oversees responsibilities to ensure the performance assessment of the Board of Directors as a whole, self-assessment and cross assessment of directors for twice a year. The assessment results are reviewed to find ways to improve their performance and consider the appropriate composition of the Board of Directors. In this regard, the Board of Directors may seek external consultants or experts to assist in formulating guidelines or suggesting performance assessment of the Board of Directors. At the present, the Bank has not provided external consultants to help establishing guidelines and raise recommendations for performance evaluation of the Board of Directors as the Bank has an appropriate system for evaluating the performance of the Board of Directors as follows:

- There are performance assessments of the Board of Directors with criteria comparable to the principles/ recommendations of regulators such as the Bank of Thailand, the Securities and Exchange Commission, Thailand, the Stock Exchange of Thailand and organizations that oversee good corporate governance, i.e. the Thai Institute of Directors (IOD).
- There is a disclosure of the performance evaluation of the Board of Directors in the annual report annually.

Performance Assessment of the Board of Directors

The Bank has provided self-assessment of the Board of Directors in order to evaluate efficiency of the Board of Directors in compliance with the principles of good corporate governance. The assessment shall be held twice a year, which are in January-June and July-December of each year.

Assessment Process

- 1) The Nomination 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' performance assessment focuses on assessments that can reflect operational efficiencies and to consider the appropriateness of the composition of the Board of Directors by using the assessment results and the skill matrix of the Board of Directors to develop the Board of Directors' corporate governance enhancement plan, both short-term and long-term.

The performance assessment is categorized into 3 types, namely that of the Board as a whole, that of each individual director as a self-assessment, and that of each individual director as a cross assessment. The assessment topic are as follows:

a. Performance assessment of the Board of Directors as a whole

There are 6 topics for assessment, namely:

- (1) Structure and qualifications of the Board of Directors
- (2) Roles, duties and responsibilities of the Board of Directors
- (3) Practices guidelines for the Board of Directors
- (4) Communication of the Board of Directors
- (5) Relationship between the Board of Directors and the Management
- (6) Preparation and conduct of the meetings

The Board-as-a-whole performance assessment of the Board of Directors in 2022 during January - December 2022, the result is summarized by the overall assessment in 6 aspects at an excellent average score. The overall assessment result clarifies that the number of the members of the Board of Directors per the size of the business is appropriate. The number of Independent Directors is in compliance with the standard criteria set by the

regulatory agencies. In addition, the Committees are also appointed in accordance with good corporate governance practices intended for studying and scrutinizing specific works, which are sufficient to take care of important issues in order to be able to conduct business carefully.

b. Performance assessment of each individual director as a self-assessment:

There are 6 topics of assessment, namely:

- (1) Distinction of proficiency
- (2) Independence
- (3) Preparation for undertaking missions
- (4) Attentively perform duties within his/her scope of roles and responsibilities
- (5) Performance of duties
- (6) Having vision to create value to the business in long term

The assessment of the individual member of the Board of Directors (Self-Assessment) in 2022 during January to December 2022, the result is summarized by the overall assessment results in 6 aspects at an excellent average score. The overall assessment result clarifies that the Directors performed their duties with responsibilities, carefulness, honesty, as well as in compliance with the law, objectives and regulations of the Bank, including the resolution of the shareholders' meeting. The Directors provided opinions and recommendations based on best practices for the benefit of the Bank and regularly attended the meetings of the Board of Directors and sub-committees correspondingly.

c. Performance assessment of each individual director as a cross assessment:

There are 6 topics of assessment, namely:

- (1) Distinction of proficiency
- (2) Independence
- (3) Preparation for undertaking missions
- (4) Attentively perform duties within his/her scope of roles and responsibilities
- (5) Performance of duties
- (6) Having vision to create value in long term

Assessment of the individual members of the Board of Directors by other members (Cross assessment) in 2022 during January to December 2022, the result is summarized by the overall assessment results in 6 aspects at an excellent average score. The overall assessment result clarifies that the Directors performed their duties with responsibilities, carefulness, honesty, as well as in compliance with the law, objectives and regulations of the Bank, including the resolution of the shareholders' meeting. The Directors also have a high degree of independence in responsibility to the Bank's stakeholders. There are no practices that may lead to conflicts of interest with the Bank and no disclosure of internal information or use of internal information for personal or other persons' benefits.

In addition, according to the Good Corporate Governance principle, the Board of Directors requires every

Committee conducting assessment at least once a year and reports the assessment results to the Board of Directors for acknowledgment.

Performance Assessment of the Committee

The Bank conducts the performance assessment of the committees once a year, namely the Board of Executive Directors, the Risk Oversight Committee, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Social Responsibility Committee, the Compliance Committee and the Independent Director Committee. The assessment is divided into 2 types, consisting of the assessment of the Committee-as-a-whole and the self-assessment of each individual Director in order to assess the operational efficiency of every panel of the Committees.

Assessment Process

1) Each Committees prepare and review the assessment form in accordance with good corporate governance and guidelines for operations of sub-committees.

2) The Secretary of each Committee will submit assessment forms to the Committee.

3) The Secretary of the Committee collects assessment forms, summarizes their results and reports them to the Committee.

4) The Committee analyzes assessment results and determines guidelines for development and improvement of operations to be more efficient as well as submitting the assessment results to the Secretary of the Board of Directors.

5) The Secretary of the Committee reports the results of the Committee to the Board of Directors. The Board of Directors uses the evaluation results as a framework for review of the duties, problems and obstacles as well as analyzing the performance of the Board of Directors for operational development including the suitability of the composition of the sub-committee.

The assessment results of all Committees in 2022 were at an excellent level.

8.1.2 Meeting Attendance and the Remuneration of the Board of Directors

The Bank's regulations states that the Board of Directors shall hold meetings at least once a month. In 2022, the meeting of the Board of Directors has been scheduled in advance at every Wednesday in the second and fourth weeks of the month. The secretary of the Board is assigned to set the meeting schedule in advance for the whole year and submit the standard agendas for the monthly meetings. The meeting schedule and agendas shall be publicized in advance through the Bank's intranet in order that Directors can arrange their schedules and attend the meetings. Additionally, the Bank's regulations state that the Board of Directors is able to attend the meeting through electronic media, which must comply with the meeting requirements. This is considered as an additional channel for the Board of Directors to attend the meetings. According to the Charter of the Board

of Directors, every Director is required to attend no less than 75 percent of the total number of meetings in each fiscal year, unless he/she is absent with necessary reason. Any Director who has an interest in a matter shall not vote on that matter. In such a particular case, the Chairman may request the Director to leave the meeting temporarily. In this regard, the Committee related to the agenda for such a particular matter will review the relevant information and make comments and suggestions before proposing to the Chairman of the Board of Directors for approval and adding such matter in the agenda. Besides, the Independent Director Committee Charter has specified the duties and responsibilities of the Independent Director Committee in relation to recommending meeting agendas to the Chairman of the Board. In the event that there is an important matter or issue that the Board of Directors should consider and has not yet been included in the meeting agenda, the Independent Director Committee can propose such agenda items in the meeting. The Independent Director Committee consists of independent directors who are members of the Board of Directors that jointly consider the agenda of the Board of Directors' meetings. In this regard, Independent Directors can independently express their opinions or suggestions on the meeting agenda in order to generate prudence and risk management in all respects that may arise. Nevertheless, in order to ensure the meetings to run smoothly, the Bank has divided the agenda into distinct categories, such as the Chairman's statement, approval of Minutes of the previous meeting, continuous matters, policies, credits, debt restructuring, investments, buying/selling assets and procurement, human resources, matters for acknowledgement, and any other business. In addition, the Board of Directors has the policy of allowing the President to invite top executives to attend the meeting so that they can provide additional information to the problem directly as the related person. According to the regulations of the Bank, the meeting invitation must be sent to the Directors not less than 7 days prior to the meeting date. Except for an urgent case, in order to maintain the rights or interests of the company, the notice for the meeting may be made by other means and the date of the meeting may be earlier fixed. Previously, the Bank had always sent invitations to the Board of Directors on time. The secretary will write and keep written minutes of the Board meetings approved by the Board of Directors and make them available for inspection.

In 2022, the Board of Directors held a total of 22 meetings, the Board of Executive Directors 46 meetings, the Audit Committee 26 meetings, the Nomination and Remuneration Committee 15 meetings, the Corporate Governance and Social Responsibility Committee 13 meetings, the Risk Oversight Committee 12 meetings, the Compliance Committee 12 meetings, the Independent Director Committee 4 meetings, and the Labor Relations Committee 12 meetings. Details of each Director's attendance are as follows:

Name of Directors		Board of Directors	Board of Executive Directors	Audit Committee	Nomination and Remuneration Committee	CG and CSR Committee	Risk Oversight Committee	Compliance Committee	Independent Director Committee	Labor Relations Committee ⁽³⁾
1) Mr. Krisada	Chinavicharana	22/22	-	-	-	-	-	-	-	-
2) Mr. Krairit	Euchukanonchai	19/22	36/46	-	-	-	12/12	-	-	-
3) Mr. Vichai	Assarasakorn	22/22	-	26/26	-	13/13	-	-	4/4	12/12
4) Mr. Thanwa	Laohasiriwong	22/22	-	-	15/15	-	12/12	12/12	4/4	-
5) Prof. Dr. Kittipong	Kittayarak	20/22	-	-	-	13/13	-	12/12	4/4	-
6) Mr. Teerapong	Wongsiwawilas	22/22	-	-	15/15	-	-	12/12	4/4	-
7) Gen. Tienchai	Rubporn	22/22	-	26/26	-	-	-	12/12	4/4	-
8) Mr. Poonnis	Sakuntanaga	22/22	45/46	-	-	-	12/12	-	-	-
9) Mr. Lavaron	Sangsnit	21/22	34/46	-	15/15	-	-	-	-	-
10) Dr. Kulaya	Tantitemit	20/22	-	-	-	13/13	12/12	-	-	-
11) Ms. Jiraporn	Kawwat ⁽¹⁾	5/5	-	5/5	-	2/2	-	-	1/1	-
12) Mr. Payong	Srivanich	21/22	40/46	-	-	-	11/12	-	-	-
Directors who resigned during the year										
1) Ms. Nitima	Thepvanangkul ⁽²⁾	14/15	-	18/19	-	8/9	-	-	1/2	-

Notes: Number in the table refers to the number of attendance/ number of Board Meeting held

(1) Took the position of Director, Independent Director, Audit Director, and CG and CSR Director on October 26, 2022

(2) Resigned from the position of Director, Independent Director, Audit Director, and CG and CSR Director on September 28, 2022

(3) The Labor Relations Affairs Committee was renamed the Labor Relations Committee on May 19, 2022.

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 2022, there were 4 meetings of the Board of Directors without the Management.

In 2022, the Bank held its 29th Annual General Meeting on April 8, 2022. All 12 Directors of the Bank attended the meeting (100 percent of the total number of Directors).



- **Remunerations for Directors**
Policy on Remunerations for Directors

The Bank structures its policy on fair and reasonable remunerations with the reviewing of the Nomination and Remuneration Committee. The consideration of remuneration must be in line with the Director's responsibilities and the Bank's financial status and overall economic outlook; must be comparable to the remuneration of the peers; and must be following the resolution approved by the shareholders meeting annually. Remuneration for directors, both monetary and non-monetary remuneration, is disclosed in the Annual Report.

The 29th Annual General Meeting on April 8, 2022, there was a resolution to approve the Directors' remuneration for the year 2022. 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.)	
- Chairman of the Board of Directors	Baht 75,000.- / Time
- Member of the Board of Directors	Baht 60,000.- / Time
2.2 Meeting honorarium for respective committees, the Labor Relations Committee, subcommittee or other committees (only for the directors who attend the meeting, for a total of not more than 2 committees and not more than once a month for each committee)	
- Chairman of the Board of Directors	Baht 37,500.- / Time
- Member of the Board of Directors	Baht 30,000.- / Time
3. Directors' gratuities are subject to the criteria for paying directors' gratuities. That is, the Bank must have business profits and must pay dividends to shareholders. In this regard, the appropriateness of duties, responsibilities, and workload is considered, including the dividend payment rate, which is comparable to that of listed companies and commercial banks at the same level. The allocation of gratuities is at the discretion of the Board of Directors.	

Until now, the Bank has not offered any other remuneration to directors other than those approved by the Annual General Meeting.

In 2022, the Bank paid directors' remuneration totaling 30,182,483.87 Baht, which included monthly remuneration, meeting honorarium for the Chairman and Directors on the Board of Directors, and meeting honorarium for the Chairman and Directors on the Committees. It is divided into:

1. Remuneration for the Directors in the Board of Directors with a total amount of 21,782,483.87 Baht.
2. Remuneration for the members in the Board of Executive Directors with a total amount of 1,530,000.00 Baht, for the Audit Committee 1,140,000.00 Baht, for the Nomination and Remuneration Committee 1,170,000.00 Baht, for the Corporate Governance and Social Responsibility Committee 1,080,000.00 Baht, for the Risk Oversight Committee 1,830,000.00 Baht, for the Compliance Committee 1,050,000.00 Baht, for the the Independent Director Committee 150,000.00 Baht and for the Labor Relations Committee 450,000.00 Baht. Details of the remunerations are as follows:

Name of Directors		Monetary Remuneration (Baht)								Unit: 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	Labor Relations Committee ⁽³⁾	
1) Mr. Krisada	Chinavicharana	2,895,000.00	-	-	-	-	-	-	-	-	-
2) Mr. Kratit	Euchukanonchai	1,740,000.00	450,000.00	-	-	-	450,000.00	-	-	-	-
3) Mr. Vichai	Assarasakorn	1,740,000.00	-	450,000.00	-	-	-	-	-	450,000.00	-
4) Mr. Thanwa	Laohasiriwong	1,740,000.00	-	-	450,000.00	-	360,000.00	-	-	-	-
5) Prof. Dr. Kittipong	Kittayarak	1,680,000.00	-	-	-	450,000.00	-	360,000.00	-	-	-
6) Mr. Teerapong	Wongsiwawilas	1,740,000.00	-	-	360,000.00	-	-	450,000.00	-	-	-
7) Gen. Tienchai	Rubporn	1,740,000.00	-	360,000.00	-	-	-	240,000.00	150,000.00	-	-
8) Mr. Poonnis	Sakuntanaga	1,740,000.00	360,000.00	-	-	-	360,000.00	-	-	-	-
9) Mr. Lavaron	Sangnit	1,740,000.00	360,000.00	-	360,000.00	-	-	-	-	-	-
10) Dr. Kulaya	Tanfitemit	1,680,000.00	-	-	-	360,000.00	360,000.00	-	-	-	-
11) Ms. Jiraphon	Kawswat ⁽¹⁾	355,483.87	-	60,000.00	-	60,000.00	-	-	-	-	-
12) Mr. Payong	Sivanich	1,740,000.00	360,000.00	-	-	-	300,000.00	-	-	-	-
Director who resigned during the year											
1) Ms. Nitima	Thepvanangkul ⁽²⁾	1,252,000.00	-	270,000.00	-	210,000.00	-	-	-	-	-
Total remuneration of Board of Directors		21,782,483.87									
Total remuneration of respective committees		8,400,000.00	1,530,000.00	1,140,000.00	1,170,000.00	1,080,000.00	1,830,000.00	1,050,000.00	150,000.00	450,000.00	
Total remuneration of the Board of Directors and all Committees											30,182,483.87

Meeting honorarium for each member in the respective committees shall be paid for a total of no more than 2 committees and no more than once a month for each committee. Therefore, if any committee member attends meetings of more than 2 committees, the meeting honorarium shall be paid for 2 committees only.

Notes: (1) Took the position of Director, Independent Director, Audit Director, and CG and CSR Director on October 26, 2022

(2) Resigned from the position of Director, Independent Director, Audit Director, and CG and CSR Director on September 28, 2022

(3) The Labor Relations Affairs Committee was renamed the Labor Relations Committee on May 19, 2022.

Gratuity Payment of the Directors in 2021

The Board of Directors allocated a total of 22,910,000.00 Baht as gratuity for Directors in 2021. The details are as follows:

Unit: Baht

Name of Directors/Former Directors *		Gratuity
1) Mr. Krisada	Chinavicharana	2,626,550.87
2) Mr. Krairit	Euchukanonchai	2,495,223.32
3) Mr. Vichai	Assarasakorn	1,969,913.15
4) Mr. Thanwa	Laohasiriwong	1,838,585.61
5) Prof. Dr. Kittipong	Kittayarak	1,838,585.61
6) Mr. Teerapong	Wongsiwawilas	1,838,585.61
7) Gen. Tienchai	Rubporn	1,838,585.61
8) Mr. Poonnis	Sakuntanaga	1,838,585.61
9) Ms. Nitima	Thepvanangkul	1,575,930.52
10) Mr. Lavaron	Sangsnit	1,838,585.61
11) Dr. Kulaya	Tantitemit	228,114.14
12) Mr. Payong	Sriwanich	1,838,585.61
13) Mrs. Patricia ngkhonvanit	Mongkhonvanit *	1,144,168.73
Total		22,910,000.00

- Other Remunerations

None

8.1.3 Supervisory of Subsidiaries and Associated Companies

The Bank has the policy to authorize its executives to be directors of its subsidiaries so that the company's operating guidelines are in line with the Bank's objectives and strategies and to coordinate benefits with Bank and other companies in the group, such as jointly releasing products and creating competitive potential, etc. In accordance with the Bank's operating regulations, the 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 for considering and approving the exercise of voting rights in the company's shareholders' meeting.

Moreover, the Bank shall supervise the utilization of funds and business operations of the company by reporting on operating results and reporting on the results of the company's risk management submitted to the Risk Oversight Committee or the Board of Executive Directors or other Committee of the Bank as the policy specified. The company has submitted financial information to the Bank for the preparation of consolidated financial statements, and reports on transactions within the group on a monthly basis for regular data validation.

The Bank has made an agreement with other shareholders regarding joint venture management. The number of directors depends on the ratio of shareholding. The number of independent directors is determined by the regulatory authorities of such companies.

8.1.4 Monitoring to Ensure Compliance with Corporate Governance Policies and Practices

(1) Prevention of conflicts of interest

In 2022, the Bank adopted the Code of Conduct, revised edition (2022), which covers the Bank's operations in various areas, including the roles of directors and executives, service standards, responsibilities towards customers, conflicts of interest, information management, overall governance of personnel and establishments, and monopoly and dispute resolution. The Bank's Code of Conduct is in line with international standards, equivalent to the Banking Industry Code of Conduct. The Bank, in collaboration with other banks, prepared commercial banking business code of conduct guidelines to elevate the standards of business operations to be clear, concrete, and able to be properly implemented. In this regard, the Board of Directors of the Thai Bankers' Association has approved the guidelines, which are effective from May 21, 2020, onwards.

(2) Use of Insider Information to Seek Benefits

- Supervision of Employee Securities Trading

The Bank has established regulations for employees' securities trading and investment in the Bank for the employees to adhere to and to prevent employees in the Group and/or related business units from using insider information for benefit of their own and those involved in the securities trading. This is because they take advantage of the opportunity to receive insider information that has not yet been disclosed to the public. In this regard, the Bank requires supervision by the head of the regulatory unit to ensure that employees in the department comply with the prescribed regulations.

Nevertheless, if an employee in the business unit that has the opportunity to know insider information wishes to trade in the securities of a listed company, whether trading for oneself or for another related persons, he or she must request approval for trading through the Employee Trading System (ETS). If approved by the head of the department, such employees can trade only once for that approval. The work system will automatically report to the head of the department every time.

The Bank conducts a daily review of employee trading reports that have been reported via the said system to the management and submits a report to the Head of Compliance only for the month in which the transaction occurs.

In 2022, based on the review, there was no employee trading of securities that may have used insider information.

- Report on securities holdings of Krungthai Bank PCL. to the Board of Directors

The Bank requires directors and executives, specifically all Group Heads, advisors to the President, accounting executives, and investment management executives, as well as supervisors in charge of the accounting and investment management departments, to have responsibility in reporting changes in securities holdings of Krungthai Bank PCL shares of their own and those of others with whom they have relationships to the SEC Office. This is to comply with the Notification of the Office of the Securities and Exchange Commission No. Sor Jor. 38/2561 Re: Preparation of Report on Changes to the Securities and Derivatives Holdings of the Director, Executive, Auditor, Plan Preparer, and Plan Administrator. In this regard, the Bank has assigned the management of the Compliance and Procedures Sector to report the Krungthai Bank PCL securities holdings of directors and executives to the Board of Directors for acknowledgment on a monthly basis in order to ensure the compliance with good corporate governance.

Table of Bank's Shareholding of the Board of Directors and Top Executives as at December 31, 2021 and December 31, 2022

Name of Directors and Top Executive Officers Position		Number of Shares							
		December 31, 2021			December 31, 2022			Change from 2021	Proportion (Percent)
		Own	Spouse and Child(ren) *	Total	Own	Spouse and Child(ren) *	Total		
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. Jiraphon Kawswat Director	-	-	-	-	-	-	-	-
10.	Mr. Lavaron Sangsnit Director	-	-	-	-	-	-	-	-
11.	Dr. Kulaya Tantiternit Director	-	-	-	-	-	-	-	-
12.	Mr. Payong Srivanich President	-	-	-	12,800	3,250 (Spouse)	16,050	16,050	0.00011
13.	Ms. Saranya Vejakul Senior Executive Vice President	-	-	-	-	-	-	-	-
14.	Ms. Praralee Ratanaprasartporn Senior Executive Vice President	-	-	-	-	-	-	-	-
15.	Mr. Werapong Suppasedsak Senior Executive Vice President	-	-	-	-	-	-	-	-

Name of Directors and Top Executive Officers Position		Number of Shares							
		December 31, 2021			December 31, 2022			Change from 2021	Proportion (Percent)
		Own	Spouse and Child(ren) *	Total	Own	Spouse and Child(ren) *	Total		
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 (Spouse)	1,070 (Spouse)	-	1,070 (Spouse)	1,070 (Spouse)	-	0.00001
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. Chanchai Sinsuparatn	First Executive Vice President	-	-	-	-	-	-	-	-
25. Mr. Panabhand Hankijjakul	First Executive Vice President	-	-	-	-	-	-	-	-
26. Mr. Chalerm Pradidarecheep	First Executive Vice President	12,600	-	12,600	12,600	-	12,600	-	0.00009
27. Mr. Krit Chamapisit	First Executive Vice President	-	-	-	-	-	-	-	-
28. Ms. Suwanna Anantanond	First Executive Vice President	-	-	-	-	-	-	-	-
29. Mr. Thanakorn Karnjananut	First Executive Vice President	-	-	-	-	-	-	-	-
30. Mr. Rungruang Sukkirdkijpi boon	Advisor to the President	-	-	-	-	-	-	-	-

Note: *Minor child

(3) Anti-Corruption

Related actions to anti-corruption of the Bank are driven by corporate leaders (tone from the top). The Board of Directors highlighted the importance of action against corruption and bribery. The Bank is committed to conducting business with honesty and integrity and aims for the Bank's employees to perform their duties with transparency, free from corruption and fraud, as a priority. In 2022, 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 establishment of internal control measures in Bank regarding the prevention of bribery to government officials and in accordance with the Organic Act on Prevention and Suppression of Bankruptcy Corruption, B.E. 2561, Section 176.

As for the operating regulations, the Bank has announced the Anti-Bribery Regulations for government officials as a guideline for the Bank's employees to adhere to properly and in accordance with the related laws for the Bank, which is an important preventive measure. The said regulations set out guidelines for the Bank's operations in accordance with the Bank's anti-bribery and corruption policy and in accordance with the guidelines for the establishment of appropriate internal control measures to prevent the bribery of officials, stipulated by the NACC Office. Moreover, the regulation has set important principles that the giving of property or any other benefit to a state official cannot be done unless it is done under the rules of the Organic Act on Anti-Corruption and as prescribed in these regulations. The aforementioned regulation stipulates unified procedures for the prevention of bribery of government officials. The significant details are summarized as follows:

- Risk assessment process: The risks of bribery of government officials must be identified and assessed by gathering information and analyzing the risks of bribery to government officials. Once the potential risks have been analyzed, for significant risks, the Bank will institute preventive and corrective measures against potential risks to the Bank. A risk assessment must be conducted on a regular basis at least once a year in order to reflect the changing environment and business of the Bank.

- 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 on regular anti-bribery and corruption, sent via CLMG

POST e-mail in the Anti-Bribery and Corruption column. This is to communicate to employees at the head office and employees working in various regions across the country, as well as personnel of the Bank's subsidiaries, and to promote knowledge and understanding and continually raise awareness of the importance of such matters throughout the year.

In this regard, the Bank and its subsidiaries stipulate an "Anti-Bribery and Corruption Policy" that has been publicly announced. Additionally, there is a policy to provide whistleblower channels for receiving misconduct information that allow everyone to report, including preventing the use of insider information and conflicts of interest. The Bank is encouraged to join the network of anti-bribery and anti-corruption, as well as providing support to other companies and business partners to announce the Anti-Bribery and Corruption Policy and join the network. Besides, the Bank was certified as a member of the Thai Private Sector Collective Action Against Corruption by the Coalition Against Corruption of the Thai Private Sector (CAC) for the third consecutive year. The Bank has also become a member of the Thai Chamber of Commerce in 2022 after receiving the TCC Best Award from the Thai Chamber of Commerce in 2021. Accordingly, the Bank received the ASEAN Asset Class PLCs Award from the ASEAN CG Scorecard Project.

(4) Whistleblowing

The Bank sets the whistleblowing policy and gives opportunities to stakeholders to report any wrongdoing through various channels. Any misconduct, including corruption, illegality, or violation of the Bank's or regulators' regulations respectively, by directors, executives, staff, employees, or subsidiaries' staff can be reported through the specified channels. Anyhow, the name of the whistleblower will be kept confidential and protected during the examination and after the process finishes. The whistleblowing channels are as follows:

- Chairman of the Board of Directors,
E-Mail : whistletruth@krungthai.com
- Whistle Blowing Team
E-Mail : whistle@krungthai.com
- Post : Whistle Blowing Team
The Office of the President,
35 Sukhumvit Road, Klong Toey Nua,
Wattana, Bangkok 10110.
- Tel : +662-208-4120
(Monday - Friday, 08.00 - 17.00 hrs.)
- Fax : +662-256-8778

In 2022, there were a total of 23 whistleblowing cases that were notified through different channels. They are divided into 9 cases of non-compliance with regulations and guidelines, 10 cases of no action found as whistleblowing, 1 case of fraud, and 3 cases under investigation. In all cases, the Bank proceeded according to the specified process, containing investigating the facts and considering the appropriate punishment of offenders, as well as reporting the results of each case to the relevant committees and using the information received to consider and improve the issues that are at risk correspondingly.

Nevertheless, the Bank executes the Sustainable Krungthai Initiative (Krungthai Kunnatham) to enhance the Bank's business operations in accordance with the Sustainable Business Principles, comprising environmental, social, and good governance (ESG) principles, along with cultivating an organizational culture of zero tolerance. In an effort to develop employees' desirable behaviors, which are KTB Core value: Integrity, Breakthrough, Efficiency, Social and Teamwork to blend into the business process in a concrete way, the Bank adheres to many principles, comprising the Code of Conduct, the prevention of conflicts of interest, corruption prevention, whistleblowing measures, and the prevention of internal use of insider information, as well as the 3 Lines of Defense process in accordance with the principles of good risk management and internal control. Meanwhile, the Bank has developed moral and ethical standards, created good values and a conscience, adhered to a good corporate governance policy, operated with integrity and honesty without violating rules or regulations, and operated business with transparency. Krungthai Bank endeavors to create a good image for the Bank as a financial institution that acquires the public trust in order to drive the Bank to achieve as the role model organization, with international standards. The Bank operates business by taking into account the utmost benefits for all stakeholders. The execution of Sustainable Krungthai Initiative through implementing the 3 principles - Foster, Prevent and Change and the inside-out blasting approach, the Bank provides the executives and employees to participate in brainstorming ideas for "a problem to solve, a good deed to do" in order to upgrade our organization's moral and ethics standards. This is to achieve concrete results in terms of Efficiency & Productivity according to the goals in 4 areas: 1) Financial Growth 2) Stakeholders/Regulators Confidence 3) Transparent Process 4) Employees Satisfaction.

8.2 Report on the performance of the Audit Committee in the previous year

The performance of the Audit Committee is shown in Attachment 6. The meetings and attendance of the Directors in the Audit Committee are shown in Section 8.1.2 Meeting Attendance and Directors' Remuneration.

8.3 Report on the performance of the respective Committees

- Report of 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 extents 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 Secretary

In 2022, the Board of Executive Directors held a total of 46 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:

Consider the Strategic Plan/Business Plan and Budget

The Board of Executive Directors puts emphasis on scrutinizing strategic plan/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 as well as ensure strategic alignment and mutual goals 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.

Monitor the Performance of the Bank and its Affiliates

The Board of Directors has entrusted significant priority on following up the Bank's performance against targets, indicators and benchmark banks on a regular basis as well as monitoring the management on the Bank's capital and reserve funds. The Board also encourages the Bank to oversee and help providing 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. Additionally, the Board of Executive Directors follows up and ensures that the Management adopts and implements the meeting resolutions, including monitoring the operating performance of the Bank's affiliates and acknowledging their reports consistently.

Delegate Policies and Provide Suggestions to the Management

The Board of Executive Directors delegated policies and provided constructive suggestions to the Management in addition to stress importance on the proactive performance so that the organization achieved its strategic objectives. Elaborate examples are as follows:

Credit Policy

- Policy regarding the portfolio re-alignment, the emphasis is placed on expanding the customer base together with improving the portfolio in an attempt to increase credit quality. This approach is conducted by means of reviewing credit strategies in certain sectors to be appropriate, focusing on the growth in Sunrise Industry and reducing Exposure in Sunset Industry.
- Policy regarding the credit quality improvement and the balance sheet strengthening of the Bank aims for the efficiency and sustainable growth comparable to competitors, which does not only focus on providing loans regardless of quality. During the past several years, the Bank has been in the phase of reconstruction and improvement on the asset quality. At present, the results of accomplishment can be seen clearly and enable the Bank to grow sustainably.
- Analyze the problems relating to Non-Performing Loans (NPLs) and pursue methods to solve NPL problems by focusing on the effectiveness of debt collection and measures to prevent NPLs. Furthermore, the credit process improvement must be manipulated to be more concise.
- Credit limit structure and credit limit classification must be in line with nature of business and debtor's necessity for the Capital Optimization management. The Board also encourages to set conditions for the use of credit limits and conditions for controlling risks that shall initiate for the appropriate risk mitigation. In the meantime, it is necessary to maintain a good relationship with customers.
- Encourage the Bank to stipulate policy that support, facilitate and assist debtors with the intention to ease impacts from the COVID-19 pandemic, the inflation and the increased interest rates. The Bank aims to help the customers to get through such tough crisis. Meanwhile, the Bank itself also encounters high risk from economic slowdown and the consequences from various problems that happened correspondingly. Therefore, several operations are required to focus on pre-emptive manners in order to prevent default and to support debtors to continue their business operations. In this regard, there must be careful consideration of the facts. Besides, the Bank also needs to monitor the circumstances of the customers from time to time in order to acknowledge their conditions closely. There is a clear process to follow up on receivables in vulnerable business groups, especially SMEs and retail business groups. Most importantly, the Bank has to monitor the important business groups that are severely and continuously affected by the COVID-19 situation, such as the hotel business, tourism business, real estate business, serviced apartment business, etc.
- With reference to the risk control by extending the repayment period for customers, in addition to the consideration on the overview of the overall risks that may occur and the exploration on suitable risk mitigation methods that enable the guarantee to cover all debts with the Bank throughout the period that the repayment period has been extended, the credit agency must manage to get the guarantor to sign the consent form on the extension of the repayment period at all times. In the case that the Bank is unable to perform such matter, it is required to find a management approach to prevent the risk that will happen to the Bank.
- Policy to support credit for customers by stipulating the conditions that the customer must increase the registered capital, the credit agencies must have rigorous processes and operations in examining with thoroughness and conciseness, especially on details of capital increase from bank statement, sources of fund as well as uses of capital increase funds and other information. This is to ensure that the customer has truly increased capital according to the specified conditions.
- The Bank's customer segmentation policy must be carefully considered and coordinated by both the Compliance and Legal Management Group and the Risk Management Group. Aside from the consideration of registration documents and various juristic acts, it is required to consider Spirit criteria, relevant relationships of customer segments, business network relationships, including actual controlling person or management authority.
- Debt restructuring that has specified the late charge, the late charge waiver for the debtor is required to follow the Bank's discretion. In addition to considering the part that the debtor complies with the conditions of the debt restructuring agreement, other related matters must also be considered, such as credit history and cooperation of the debtor, honesty and determination in operating business, etc.
- Regarding the credit approval to customers, it must proceed cautiously with prudence. In particular, the analysis on the customer's data and character must be conducted thoroughly while the standard financial statements, documents and/or reports submitted by the customer to the Bank, which will affect credit consideration, must be signed by the authorized director of the customer. The consideration also includes the relationship in the business network, the relevant relations of the customer groups, including the actual controlling person or management authority. The Bank must take into account precisely the detailed information on the overall business movements and the actual trading transactions, which do not excessively deviate from standards of the industry. In this regard, the credit limit must be consistent with each customer's risk profile, in line with the customer's need 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. Inclusively, the policy and the

operations of the customers toward their relevant parties should be progressed appropriately, adhere to the principles of good governance, and do not take advantage that may affect the performance of customers. However, for other operations, the Bank must prudently and elaborately take into consideration the opportunity to operate business and factual information. Precisely, such operations must be conducted carefully without causing the Bank to lose business opportunities or benefits, as well as build up credibility and positivity image to the Bank. Lastly, the appropriate planning for effective operation is required while the utmost benefit of the Bank is set to be considered as the first priority.

- According to changes in the new reference interest rates according to the financial industry around the world, the relevant agencies are required to formulate the regulation in order to set as the same operational standard throughout the Bank without having to propose for approval to change the reference interest rate on a per-client basis. However, the setting of new difference in interest for each currency as a whole must not be inferior to the existing one, as well as can reflect the customer risks. Besides, such differences have to cover the principal of the Bank.

- The Bank operates business by implementing the Environment, Social and Governance (ESG) principle in the integrated approach regardless of only the enhancement of better image. By this means, the Bank has stipulated a concrete ESG strategy that focuses on building a strong and sustainable credit portfolio, for example, supporting customers who conduct business with social and environmental responsibility and having a strategy on the sustainability in their business operations in order to create Sustainable Profitability for the Bank.

Innovation and Digitalization Policy

- The Board emphasizes on One Krungthai policy that encourages the Bank to execute the international standard tools to generate participation and develop innovation within the organization, for instance:

- Growth Mindset: Determine to initiate the thinking process that equips with an attitude or a mindset that is always conducive to self-development.

- Design Thinking: Encourage employees to have a design thinking process and a thorough understanding of problems in order to clearly define the cause of the problem. Ideas are brainstormed to create prototypes that will be selected to solve problems and shall be periodically tested, monitored and assessed where appropriate.

- Objective & Key Result (OKRs): The Bank employees are aware of their performance objectives, what is important to achieve, and how to accomplish the key results as determined by the specified objectives.

- Conversation, Feedback, Recognition (CFR) for employee management: Emphasis is placed on transparency, open-mindedness, and teamwork in order to successfully carry out various activities to reach the goals.

- Agility Working: Push forward all departments to work as one team throughout the organization. Communicate to all employees for a mutual understanding of the work process, in order to move forward in the same direction. This will lead to the cooperation to solve problems quickly, while encouraging all employees to always strive to learn new things to improve and develop themselves.

- Knowledge Management (KM): Support the compilation of knowledge in the organization and develop a system to retain all the archives. Formulate learning activities from Lesson Learned incidents by means of taking the format/characteristics of the damage cases or defects arising from operations as a lesson. By means of lecturing via classroom or creating a video to communicate to employees throughout the Bank, the employees shall have a chance to study and understand the lessons, as well as be able to acquire knowledge to improve and develop themselves effectively.

- Krungthai Hackathon: Stimulate the competitive activities within the Bank through the brainstorming of problem solvers and developers in pursuing and creating new ideas to solve problems before striving to initiate the concrete solutions. In particular, this event shall elevate the organizational culture to be an organization of innovation and creativity as well as developing skills and preparing employees for the digital world.

- Support and promote the Bank's policy on procurement and installation 'Infrastructure as a Services' and 'Platform as a Services' for the Vayu Cloud service, which is the Bank's Private Cloud, to be able to connect and collaborate with the Public Cloud in a Multi-Cloud manner. In this regard, the centralized management tools for the private cloud and public cloud shall be flexible in use, able to effectively meet the needs of the Bank in driving their business digitally and effectively to support the government agencies under the Bank responsibility.

- Support and promote the Bank's policies to create new business models, such as the platform to support customers for buying-selling-withdrawing gold via an online system directly with the gold shop, which is easy, convenient, fast, and complete, through the Krungthai Gold Wallet on the PaoTang application.

- Support and promote the Bank's policy in applying new technologies to increase efficiency in work processes such as:

- E2E Litigation Process through improving the process and developing the litigation and enforcement system to speed up, reduce procedures and reduce data errors. Set up a tracking system and have a clear SLA for each step. This can reduce the time for prosecution and enforcement.

- Through adopting the digital and robotic process automation (RPA) system to help increase the competence of the Bank's work across the organization, the robots are added in to work for some processes or steps, starting from the First Line of Defense, Second Line of Defense and Third Line of Defense. This enables the work process to be fast, accurate, spending less cost as well as reducing redundancy and human errors in the operations. Explicitly, it encouraged more precise and effective monitoring of the operations.

- Support and promote the Bank's policy in implementing the X2G2X strategy by increasing revenues from expanding business with customers' partners. Cooperate with the business alliances in initiating the strategy to develop a new digital platform - Krungthai Business, to be up-to-date, support financial services and respond to the needs of BC business customers, juristic entrepreneurs and individuals owing private business.

- By adopting advanced technology and information technology systems as the main engine in driving businesses, it is necessary to prepare for the risks arising from cyber threats. There must be a strong and secure security against cyber threats in order to draw up readiness in dealing with any situation. In addition, the Bank should specify the regulatory framework and risk management in terms of employees, processes and tools to reduce the impact that may affect the customers and the Bank's reputation.

Organization Management Policy

- Push forward the policy to drive the Bank towards sustainability as a corporate culture. Focus on sustainable growth of business and society in the long run while conducting business with responsibility for the environment, society, and good governance (ESG). Create the momentum for all sectors to take actions in a direction that leads to sustainable development, which in turn prevents risks to both the system and the Bank. In particular, through integrating ESG into the business process, all Bank employees must be aware and have understanding toward the same direction that the ESG is important to business operations. By taking into account the Market Conduct, the Bank emphasizes fairness to customers and stakeholders. The Bank's employees must adhere to good governance, honesty and having no conflict of interest with the Bank. There is a commitment and support from senior management as a Tone from the Top to ensure that lending is responsible to stakeholders both inside and outside the organization, along with providing green lending as part of the ESG moves toward green business. Meanwhile, the Bank shall take care of debtors during the COVID-19 situation, with transparent disclosure of information to the public to acknowledge the Bank's commitment to increase mechanisms for implementing ESG matters, including the implementation of modern digital technology in conducting various transactions that must not affect the environment.

- Operational policies in various fields must adhere to the principles of Data Governance and PDPA. The Bank is required to prepare practical guidelines, manage work systems and tools to protect the Bank's important data, and communicate to employees so that they have knowledge and understanding regarding the standardized management process in line with the Personal Data Protection Act (PDPA). The main purpose is to reduce the risk of infringement on the use of personal information.

- Delegate policy to develop the potential of employees by means of Upskill/ Reskill related to business, technology, legal, and other necessary areas. Accordingly, the skillful employees shall enable the Bank to develop agility and flexibility in adapting to cope with disruption, manage to operate in more diverse types of business and be able to compete effectively in the era of changes caused by digital technology and the emerging business models and digital assets. As a consequence, the Bank shall be able to grow sustainably.

- Accentuate the Zero Tolerance Policy against non-compliance and fraud to be instilled as the DNA of all employees in doing business with honesty and transparency. Communicate to all employees to realize, aware, and understand the policy as well as the operational and employee disciplinary regulations, which they must strictly follow and adhere to. There is surveillance and prevention of corruption in their business units. To be precise, all employees must not tolerate any form of corruption or allow others to commit corruption while operating works with transparency, accuracy, fairness and credibility in order to acquire Public Trust from other related parties.



(Mr. Krairit Euchukanonchai)

Chairman of the Board of Executive Directors

- Report of 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 2022, the structure of the 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. In this regard, 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, one Independent Director had been appointed as the Chairman of the Independent Director Committee and the Independent Director Committee Charter was established with the purpose to specify the Directors' qualifications, term of office, including their roles and responsibilities and the Committee meeting. The Independent Director Committee, consisting of Independent Directors who are part of the Board of Directors, has participated in considering the agenda of the Board of Directors' meeting prior to the meeting. Independent Directors are able to express their opinions or suggestions on meeting agendas to the Chairman of the Board of Directors independently in the event that there is an important matter or issue that the Board of Directors should consider and has not yet been included in the meeting agenda. Accordingly, the Independent Director Committee agreed to conduct and disclose the report of the Independent Director Committee annually in the Annual Report of the Bank starting from 2018 onwards.

The Independent Director Committee 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 2022, 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) Mr. Teerapong	Wongsiwawilas	Independent Director
6) Miss Jiraphon	Kawswat	Independent Director
Ms. Sineenard	Damri-anant	Assistant Secretary

In 2022, 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 29th Annual General Meeting of Shareholders (2022) and offered recommendations. In particular, the Independent Director Committee suggested that the questionnaire should clarify the details of the shareholder answers so that the Bank can clearly understand the explanations of their opinions. As a result, the Bank can use comments and responses of the shareholders as guidelines to improve operations accurately and appropriately.

2. As stated by the role and responsibility of each Independent Director who is assigned to perform duties in the sub-committees, in the event that any important matters from the sub-committee or significant policies are required to be communicated, the Independent Director can raise such matters in the Committee meeting in order to discuss, exchange opinions and consider together as deemed appropriate. The meeting advised that the observation and recommendation of Independent Directors on various issues from the sub-committees meeting should be added as agenda for consideration in the Independent Director Committee meeting.

3. The Independent Director Committee remarked on the determination of the shareholders qualifications, including the Bank's consideration process in proposing additional agenda items or nominating qualified candidates for the Bank's directorship. The Committee requested disclosure of the process and clear operating guidelines, having relevant sub-committees to consider and screen all matters proposed by shareholders to be included in the meeting agenda, as well as disclosing a list of candidates nominated for appointment as directors to the shareholders for acknowledgement. In addition, the Committee recommended that the Management should examine processes related to such operations from other listed companies in order to implement appropriate parts to develop, improve and apply for efficient operations. In this regard, the Committee has approved the principle of giving shareholders the right to propose additional meeting agendas and nominate qualified persons to be appointed as directors at the 30th Annual General Meeting of Shareholders (2023) before proposing to the Board of Directors for further approval.

4. The meeting schedule of the Independent Director Committee for the year 2023 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.

5. The Independent Director Committee agreed to submit profiles of all Independent Directors who have not completed their term of office to be appointed as proxies for the shareholders. In the 30th Annual General Meeting of Shareholders (2023), the Committee agreed to nominate 4 Independent Directors as proxies on behalf of shareholders.

6. The performance evaluation of the Independent Director Committee for 2022 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 2022 exhibited the overall assessment at "excellent" level. Consequently, the evaluation report shall be proposed to the Board of Directors for acknowledgement respectively.



(Gen. Tienchai Rubporn)

Chairman of the Independent Director Committee

- Report of the Corporate Governance and Social Responsibility Committee

Report of the Corporate Governance and Social Responsibility Committee for the year 2022

The Krungthai Bank not only realizes the importance of good corporate governance but also places importance on the code of conduct for all directors, executives and employees. It also conducts its business with responsibility to all stakeholders whether shareholders, employees, customers, partners, investors, government agencies, or commercial competitors, including society and the environment to be treated well which will lead to the sustainable development of the Bank, the surrounding society and the country's economy as a whole. Therefore, the Bank's social responsibility policy must be consistent with the Bank's business operations that will lead to sustainable growth by creating shared value for all stakeholders of the Bank.

In addition to the Bank's operation in accordance with the policies related to social responsibility are part of the day-to-day operations, the Bank also focuses on creating activities that are beneficial to social and environment with the operating framework and main operational strategies that reflect the concept and the direction of the operation which is determined by the Corporate Governance and Social Responsibility Committee which has a duty and responsible for setting policies, supervising and providing a framework for social activities that benefit the nation in terms of economy, society and environment.

The Corporate Governance and Social Responsibility Committee was appointed by the Board of Directors. It consists of at least three members of the Bank's Board of Directors. As of December 31, 2022, the Corporate Governance and Social Responsibility Committee comprises of 4 members which are all 4 non-executive directors, namely Prof.(special) Dr. Kittipong Kittayarak (Chairman of the Corporate Governance and Social Responsibility Committee), Mr. Vichai Assarasakorn (Director), Dr.Kulaya Tantitimit (Director) and Ms. Chiraporn Khaosawad (Director). For the performance in 2022 of the Corporate Governance and Social Responsibility Committee are stated in the report of the Corporate Governance and Social Responsibility Committee in this 56-1 One report. In order to set the directions and monitoring the performance of corporate governance and social activities of the Bank, in 2022 the Corporate Governance and Social Responsibility Committee held a total meeting of 13 times.

Corporate Governance Operations and Social Responsibility for the year 2022

1. **Sustainable Krungthai** which allows each unit to conduct a sustainability plan to develop and drive the operation of the Bank according to the goals of Governance, Social and Environment or ESG. The distinctive plan of each unit will be enhanced through the project Transformative Leadership Program which applies the principles of Objective Key Result (OKR) and Design Thinking to use in planning to achieve the monitoring and clearly and efficient measure the success of the plan.

2. **Operations on corporate governance in accordance with regulations of regulatory agencies and international standards.** The Committee has reviewed the corporate governance policy both in part of the corporate governance and sustainability strategic plan for the year 2023-2027, reviewed the corporate governance policy for the year 2023 and the Code of Ethics for the year 2023 including the compilation of the human rights policies and labor practices in fair and equal treatment.

3. **Continuation of extension building a network in the anti-corruption alliance and sustainability.** The Bank has continued to build a network consecutively so as a result, the Bank has received awards both domestically and internationally, such as the certification of the third consecutive year of renewal of membership in Thai Private Sector Collective Action Against Corruption (CAC) , the corporate governance assessment results of the Corporate Governance Survey of Thai Listed Companies at the 5-stars level and Award for ASEAN Asset Class PLCs, etc

In terms of working on social responsibility, the Bank has formulated a strategy and working roles in corporate social responsibility of the Bank by transforming the work of social activities to community development and holistic target groups through "Creating Sustainable Shared Value (Sustainable Value Creation)" in the "Krungthai Go Local, Grow Local" project, "Koh Tao Better together Phase 3" project and "Sustainable Financial Education" project by creating a comprehensive change from the functional structure level, policy formulation, work process development combined with financial literacy to community members. The main objective is to promote and develop Thai Society to keep pace with the changes of the modern world together with supporting people in the community to have the opportunity to develop themselves to their full potential and be ready to raise the level of production activities and services so that the community can create higher value added on the basis of environmental sustainability at the same time

In the midst of the uncertainty of the world situation, operating based on sustainability according to the principle of sustainable development is an important key to helping the Bank grow steadily and is a pillar for the Thai economic system to further develop the nation.



Prof.(special) Dr. Kittipong Kittayarak

Chairman of the Corporate Governance and Social Responsibility Committee

- [Report of 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 Sangsnit are the members of the Committee.

In 2022, 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 utmost benefits of the Bank and its stakeholders. Additionally, the Committee has scrutinized and provided recommendations regarding the significant matters before proposing to the Board of Directors. Essential details are as follows:

1. Reviewed and determined policies, criteria and procedures regarding the nomination of the Directors, Top Executives and Management Authorities of the Bank by adhering to the principles of good corporate governance and creating values for the Bank in the long run. The purpose is to establish the reference guideline for recruiting the candidates, whose qualifications are appropriate, 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 nominating qualified persons to be appointed as Directors of the Bank in an attempt to ensure that the Board of Directors has a size and composition that is suitable for the organization, establishes with diversity and can perform its duties efficiently. Under the recruitment consideration for directors from various sources, 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 review the background and performance history from the past to the present to avoid conflicts of interest as well as examine from the Director Pool database. In this regard, the Committee aims to acquire directors with knowledge and expertise according to the predetermined Skill Matrix that is in line with the current and future missions and strategies of the Bank, including its sustainable development. The Committee also encourages to promote and address the diversity of candidates as a factor in considering the nomination of the Bank's directors, particularly in terms of gender, religion, culture, nationality, ethnicity, age, educational background, experience, performance, skills or knowledge, along with any other differences in accordance with the law and social context. This enables the Board of Directors to have diversity in initiating different opinions and perspectives, which will benefit all stakeholders and promote sustainable growth.
3. Considered and nominated the Bank's Directors to hold positions in Sub-Committees with appropriate qualifications as stipulated in the Charter of each Sub-Committee. This shall support the performance of the Board of Directors to be able to perform their duties and responsibilities, as well as monitor and supervise operations to be in accordance with the policies and strategies under good governance principles comprehensively.
4. Considered recruiting and nominating persons to be appointed and rotated to the position of Top Executives and Management Authorities of the Bank. 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 encourages and puts 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 guidelines for the performance evaluation of the Bank's Directors, Sub-Committee Directors, the President and the Management Authorities of the Bank with the purpose of complying with the good corporate governance and 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 regulations and requirements of the regulatory agencies and the compliance with good corporate governance principles. In this regard, the Committee shall consider the criteria and the remuneration of the Directors of the Bank's subsidiaries to be corresponding to the Bank's policy, Directors' remuneration as well as being appropriate and corresponding to the assigned duties and responsibilities.
 8. Determined the criteria and considered the remuneration of the Top Executives and Management Authorities of the Bank before proposing to the Board of Directors for approval. The remuneration has been determined in consideration of the individual's duties and performance, the Bank's performance, the overall economic conditions, the comparison with benchmarking banks as well as the compliance with good corporate governance principles.
 9. Considered and provided recommendations as guidelines for the human resources management with the purpose to acquire the greater effectiveness and corresponding to the changing business environment, which generates the utmost benefit to the Bank's business. Details are as follows:
 - 9.1 The Bank's organizational structure and overview of the personnel
 - 9.2 The human resource management guidelines, the Secondment principle, and the transfer of employees to work in the Bank's affiliates
 - 9.3 The improvement on the work regulations in terms of the HR operations to be appropriate and in line with the current changing situation
 - 9.4 Guidelines and strategies for human resource management of the Bank in an attempt to meet the long-term business direction under various challenges. In particular, the explicit recommendations include the branch management plan i.e. Workforce @Branch Rationalization, building management plan i.e. New Normal & Flexible Workplace and Office Space Planning, Krungthai Group consolidated management plan under Synergy 2023, the Transformative Leadership project, HR information management Dashboard (Mock Up) and HR Process Digitization & Personal Improvement Plan as the management plans to be used in employee management within the Human Resources and Corporate Governance Group.
- 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

- Report of 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 2022, 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 strategic risk, 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 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 test to the Bank's stability.
4. Provided recommendations in determining guidelines to push forward the Bank towards becoming Sustainable Banking under the Environment, Social, and Governance (ESG) Framework, such as reviewing responsible lending policy and guideline.
5. Expressed opinions related to the improvement of the overall credit process, particularly in setting appropriate authority for credit approval at each level with checks and balances criteria, as well as altering the credit portfolio management process to mitigate risks and reduce NPLs, as well as closely monitoring Bank's credit and NPLs portfolios.
6. Monitored and supported the development and improvement of credit tools and models such as credit risk rating model, credit scoring model, and expected credit loss (ECL) model, etc.
7. 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.
8. 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 enhance new businesses, especially the digital platforms, as well as implementing and developing the cyber security to respond to emerging threats at hand.
9. 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.
10. 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 determined the clear deadlines.
11. 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.
12. The Risk Oversight Committee has continually monitored the risk management plans related to COVID-19 pandemic so that the Bank can continually operate business as usual. In addition, the Committee also assessed the economic situation that affected the Bank, such as the Russia-Ukraine war, the supply chain disruptions, and rising inflation and interest rates, in order to maintain the Bank's risks within the risk appetite levels. Details are as follows:

12.1 Assessed trends in the Bank's financial position and capital after undergoing the impact from these factors with the purpose to manage the Bank's capital adequacy to maintain at the adequate level.

12.2 Monitored government measures and policies that provide assistance scheme to 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.

12.3 Provided recommendations regarding the categorization of the customer 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, along with managing the Bank's credit portfolios, capital, and financial statement by using customer groups information.



(Mr. Krairit Euchukanonchai)

Chairman of the Risk Oversight Committee

- Report of 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 2022, the Compliance Committee held 12 meetings in total (which are the ordinary meetings) and submitted the minutes of the meetings to the Board of Directors quarterly. The outstanding performances are summarized as follows:

1. The Compliance with Bank's Regulations

1.1 Policy Compliance

(1) Review the Compliance Policy, the Compliance Committee Charter and the Compliance Unit Charter

The Committee considered the appropriateness of the contents of the policy and the charters with the intention of setting it as a framework for the implementation of related matters. This is to be in line with the Bank of Thailand (BOT) guidelines regarding the regulatory compliance of the financial institutions and in accordance with the guidelines of Basel Committee on Banking Supervision in reference to the Compliance and The Compliance Function in Banks. The Committee also ensured the clarity and coherence of charters and policies, as well as in agreement with the reorganization of the Compliance and Procedures Sector. The Committee approved the review of the compliance policy according to the approval authority assigned by the Board of Directors. In addition, the Committee has agreed to submit a review of the Compliance Committee Charter and the Compliance Unit Charter to the Board of Directors for approval.

(2) Review the Anti-Money Laundering Policy and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Policy (AML/CTPF) of the year 2022

The Committee considered the appropriateness of revising the contents of the Policy to be in accordance with the specified law, along with covering and corresponding to the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Act. In particular, there is a revision in terms of the improvements in customer acceptance, customer identification and verification, risk management related to AML/CTPF of the customers and the transaction report. Regarding the transactions report to the AMLO, the Bank has reviewed for the compliance with the Notification of the AMLO Concerning Guideline for Prescription of Internal Policies and Procedures for Assessment, Management and Mitigation of Money Laundering or Financing of Terrorism or Proliferation of Weapons of Mass Destruction Risk of Financial Institutions and Businesses and Professions under Section 16, as well as improved the content related to the merchant verification, merchant risk and online payment to be in conforming with the Bank of Thailand Notification, Re: Submission of Policy Guideline: Know Your Merchant (KYM). Consequently, the Committee agrees to propose to the Board of Directors for approval.

(3) Review the 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 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. In this regard, CAC has certified the Bank's membership until 2025 and the Committee has agreed to propose to the Bank's Board of Directors for approval.

1.2 Consideration, Review and Follow-up

(1) Consider the Annual Compliance Report 2021 and the Corporate Governance Report 2021

In early 2022, the Committee considered and approved the Annual Compliance Report 2021 before submitting it to the Bank of Thailand and approved the Corporate Governance Report 2021 before submitting it to the Securities and Exchange Commission, Thailand.

(2) Acknowledge the audit of the Bank and companies in the financial business group by the Bank of Thailand for the year 2021

In early 2022, the Committee acknowledged the audit of Bank and companies in the financial business group by the BOT for the year 2021. The Committee made recommendations to push forward the performance of the 2nd Line and 3rd Line units to be able to efficiently oversee and manage compliance risks and audits. The Committee also agreed to propose to the Board of Directors for acknowledgment.

(3) Review and monitor the implementation of Compliance Program for the year 2022

The Committee reviewed the report and followed up on the implementation of the Compliance Program for the year 2022 continuously. The purpose is to acknowledge the action and improvement or addition to the Compliance Program during the year in order to be consistent with the situation and compliance risks according to transactions and/ or important rules that have been updated during the year. This includes giving suggestions on the execution of the plan in order to be more efficient in terms of (1) Preventive Program (Regulatory Change Management, Advisory, Communication, Training) and (2) Compliance Monitoring and Testing. Accordingly, the performance report shall be monitored on a quarterly basis.

(4) Consider the Compliance Program for the year 2023

The Committee has approved the Compliance Program for the year 2023. The Compliance and Procedures Sector has formulated the Program to be consistent with the compliance risk level of the Bank in 2022, including with other factors such as strategies, business trends and Key Regulators focus in 2023, etc. The Committee recommended prioritizing the importance or urgency of the plan, together with encouraging the coordination among the Bank's various departments, in order to reduce the redundant operations and connect all works into the same direction. The Committee also urged the communication to the operating units so that they get acknowledged on the plan and be able to proceed accordingly. In this regard, it is required to take into account human resource management since the appropriate allocation of manpower to suit various processes will support more efficient compliance work. Besides, the emphasis is placed on the implementation of preventive oversight. In particular, the action plans for regulatory communication must be prepared by means of categorizing and prioritizing the importance or urgency of such regulations to be concise, easy to understand and able to be put into actual practice. Furthermore, the Committee also encourages the work team to continuously create compliance culture because it is a process that makes employees aware, understand and realize the importance of regulatory compliance.

(5) Review and monitor reports on Key Risk Indicator & Compliance Risk Dashboard

The Committee has constantly reviewed the reports and monitored the Key Risk Indicator (KRI) and Compliance Risk Dashboard in order to be informed of changes to KRI and compliance risk dashboard based on major transactions and/or important regulations occurring to the Bank. Suggestions were made for the preparation of work plans for the prevention or management of various risks, whereas the presentation of a dashboard format should be easy to understand and provide beneficial content to the Bank. The reports shall be followed on a monthly basis and related suggestions shall be provided to the report organizers so that they are able to improve and resolve various risk issues more noticeably.

(6) Review and follow up the regulatory compliance report of the financial business group

The Committee has reviewed reports and followed up on the regulatory compliance of companies within the Bank's financial business group. The Compliance and Procedures Sector has implemented the Preventive Action (Communication, Advisory, Training/ Workshop) and Monitoring and Testing (Compliance Report Monitoring, Regulator Issue Tracking, Compliance Monitoring & Testing, Report Tracking). The objective is to acknowledge the compliance risk assessment of companies in the Bank's financial business group. The Committee also provides recommendations to related units to communicate and emphasize preventive supervision by means of closely coordinating with the company's compliance departments in the Bank's financial business group, especially on the products that may involve high-risk transactions such as digital assets.

(7) Monitor the CLMG Project in terms of the Market Conduct: Strengthen 2nd Line of Defense for Market Conduct

The Committee recognizes and places importance on the implementation of market conduct in providing fair services to customers through regularly monitoring the market conduct operation. The Compliance and Legal Management Group reported the progress of the CLMG Project in terms of Market Conduct: Strengthen 2nd Line of Defense for Market Conduct in order to elevate the Market Conduct operations to a better level. The Committee acknowledged the progress of the project as well as gave advice on creating incentives or organizing various activities and communicating to employees. Inclusively, the relevant teams are assigned to be in charge in helping to drive the project into action in order to achieve its objectives. In this regard, the Committee has continuously initiated for a clearer and more concrete policy or practice guidelines.

(8) Monitor the progress of the review report for products offering of the branches for the year 2022, and the operation plan for the review report for the year 2023

The Committee has followed up and acknowledged the progress of the review report on the product offering of the branches in 2022 thru Virtual Shopping approach by officers in the Compliance and Procedures Sector, coupled with the method Mystery Shopping approach by outsourcing officers respectively. For the review plan, it shall be conducted by means of Mystery Shopping approach by outsourcing officers. For the year 2023, the Committee recommends that the Bank should take a review report to improve weaknesses, and communicate to the regulators to recognize the Bank's rigorous performance in the selling process according to the market conduct principle prescribed by the Bank of Thailand. In the meantime, the Committee recommended to encourage all employees to perform their duties with caution and completeness at all times.

(9) Follow up the findings from 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.

(10) Monitor the compliance-related issues

The Committee has monitored compliance-related issues to provide recommendations on actions in conforming with the regulations of the Bank of Thailand and other external regulators. Such related issues include the BOT's audit scope in 2022, readiness to comply with the Personal Data Protection Act B.E. 2562 (PDPA), Common Reporting Standard: CRS, Report on the business plan of the overseas branches, complaints related to the securities business in 2021 and the Bank's improvement of Market Conduct complaint management, including the overview of complaints about products and services and the complaint reduction project, together with the progress of the 2021 Transformative Leadership project under the Sustainable Krungthai initiatives, etc.

2. Supervision the regulation compliance of the overseas branches of the Bank

2.1 Policy Compliance

(1) Review the AML/CFT Policy and Internal Controls and Procedures for Phnom Penh Branch and Siem Reap Province Sub-Branch for the year 2022

The Committee has considered the appropriateness of the contents of the 2022 AML/ CFT Policy review, which has no revised matters from the 2021 version and reviewed the AML/ CFT Internal Controls and Procedures. The Committee agreed to propose the Bank's Board of Directors to consider and approve the policy, and to consider approving the amendment of the AML/ CFT Internal Controls and Procedures of the Phnom Penh Branch and Siem Reap Province Sub- Branch be in line with Cambodia's AML law. Subsequently, the Bank shall submit the approved version of the AML/ CFT Internal Controls and Procedures to the local regulatory agencies, which is the Cambodia Financial Intelligence Unit (CAFIU), in order to comply with the CAFIU regulations.

(2) Consider the AML/CFT policy for the Vientiane Branch.

The Committee considered the appropriateness of the content of the AML/CFT policy in order to meet local regulatory requirements (Anti- Money Laundering Intelligence Office (AMLIO), Lao PDR). The Policy has been prepared and endorsed by the external consultant in reference to the policy and regulations of the AML/ CFT of the head office and amended in accordance with the regulations of the (AMLIO) for the Vientiane Branch to implement within the year 2022. In this regard, the Committee has proposed this policy to the Board of Directors for approval.

2.2 Consideration, Review and Follow-up

(1) Consider the appointment of the Compliance Officer for Phnom Penh Branch and Siem Reap Province Sub-Branch

The Committee agreed to propose the Board of Directors for approval of the appointment of the Compliance Officer to supervise the Phnom Penh Branch and Siem Reap Province Sub- Branch to operate in accordance with the regulations of the Cambodian Regulatory Authority (NBC and CAFIU). The Committee provided suggestions for the Management to focus on cooperation of local staffs toward the compliance, the employee's retention, including initiating plans to drive the engagement of the employees with the organization.

(2) Review and follow up the compliance report of the Bank's overseas branches

The Committee reviewed and monitored the compliance report of 7 overseas branches and 1 overseas representative office every quarter. The objective is to acknowledge the crucial changes in regulations and prevent non-compliance with Thai and foreign official regulations 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 in an attempt to elevate the compliance ground and achieve the utmost efficiency.

(3) Acknowledge the AMU CFT Performance Report of Phnom Penh Branch and Siem Reap Province Sub-Branch

The Committee acknowledged the AMU CFT Performance Report of Phnom Penh Branch and Siem Reap Province Sub-Branch. This report is conducted by the branch's Compliance Officer on a quarterly basis. The Committee recommended to organize training related to the compliance with the regulations to branch employees on a regular basis so that the employees shall acknowledge and be aware of the risks associated with their duties.



(Mr. Teerapong Wongsawilas)
Chairman of the Compliance 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. As a result of the abovementioned reasons, the 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 and provide opinions on the adequacy and effectiveness of the internal control system and the internal control of the Bank's information system in accordance with COSO standards and/or appropriate standards. This is to ensure that the Bank's internal control system is appropriate, adequate and consistent with good corporate governance and risk management principles.

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. There are establishment of strategies and guidelines through implementing the Sustainable Krungthai Initiatives. The Bank had also raised the corporate governance standards with the goal of applying them into action for tangible results throughout the organization as follows:

1. **Corporate Governance Strategic Plan:** In 2022, the Bank continues to formulate a corporate governance strategy, which aims to become an organization with a culture that does not tolerate corruption in the organization (Zero Tolerance).

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.

Besides, 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 email 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 human resource 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 particular, 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 2022, 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 follows up and reports 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 a large role in every aspect of the Bank's business operation. 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 focuses on changing work processes by using RPA (Robotic Process Automation) 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. In 2022, the total amount of "fraudulent money withdrawal" decreased from 2021. "Fraudulent money withdrawal" was previously considered the fraud that caused the most damage to the Bank. The amount of such fraud significantly reduced due to additional implementation controls to reduce gaps and opportunities for fraud. Furthermore, the "fraudulent money transfer" also decreased from the previous year as a result of the operation of the Internal Audit Group that utilized RPA to detect suspicious transactions and notify the front office for inspection and report back. Rapid detection of suspect transactions results in reduced fraud transactions. The Bank's damage was reduced by 65 percent. Moreover, the Bank has considered the possibility and effect of significant external fraud such as forgery of the authorized person's signature or impersonation fraud. An analysis of the causes of risks and internal control flaws was conducted to determine appropriate internal control activities respectively.

Furthermore, the Bank has conducted product assessment in product release, 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 launched 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 financial statement users. The Committee has also followed up on corrections according to the observations of the audit from 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. The Bank also conducts 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 Group.

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 significant as follows:

- Set up a Market Conduct Customer Complaints Resolution Team to elevate the standard of handling complaints in all aspects with intention to be in line with Market Conduct principles. The team is also responsible for fixing and preventing repetitive errors. It also participates in determining guidelines and measures to help, mitigate and remedy customers appropriately.

- Continuously upgrade and develop systems for Krungthai NEXT application to improve and increase service efficiency.

- Regularly improve and develop the efficiency of the Call Center service.

- The Bank communicates to all employees about the Personal Data Protection Act B.E. 2562 (2019) or PDPA which is fully enforced in terms of general data and sensitive data so that all employees perform their duties accurately.

- The Bank is preparing to use the e-Solutions system for individual customers in every branch nationwide in an attempt to provide full electronic financial transaction services covering all work processes of branches, including document storage. Through executing via various devices and modern technology, this increases productivity, speed, accuracy in work performance and reduces the use of paper.

- Workforce rationalization and pool operation have been implemented to pull branch operations to the center in order to reduce the branches' workload and errors as well as improve the Bank's services to be faster. The employees' work process has been modified to be in line with the changing behavior of customers.

The Bank places importance on the channels and processes for reporting corruption risks. The stakeholders receive the opportunity to report the misconduct in many ways. If fraudulent, illegal or noncompliance 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, misconduct or improper 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, including the change management. The Bank has also supervised and monitored Krungthai Computer Services Co., Ltd. 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. IT Contingency Plan (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 labeling. 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. In this regard, the Bank is constantly preparing and communicating within the Bank to support compliance with the law. This is to ensure 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) correspondingly.

The Bank boosts up awareness regarding the security 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 email to employees and executives to ensure the Bank's security from cyber threats.

During the period of dealing with the COVID-19 pandemic, the Bank's policy was to classify employees into groups according to 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 in a timely manner.

For internal control of the Bank's 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. Inclusively, the guidelines on using information from the system 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 2022, the Bank continued to develop technology for communication in the organization. The ONE Krungthai application has been developed for the Bank's internal communication such as news, product releases, and knowledge management. Employees can collect ONE Coin when participating in activities. Feedback on employee participation in each activity can also be tracked. In this regard, in communicating newly released products or services, employees and call center employees shall be informed via the Bank's Intranet, circular letter and email. As for customers of the Bank, they will be informed through the Bank's social media channels such as Line, Facebook, Twitter and website.

In the past 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 via external channels, the Bank has a call center at tel. 0-2111-1111 and channels to communicate information or introduce the Bank's products to general customers through social media channels 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 Human Resources and Corporate Governance Group 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.

In addition, the Internal Audit Group also acts as the controller of the Third Line of Defense whose responsibilities are to assess the adequacy and effectiveness of operational processes and information systems, internal control and risk management under missions and scope of work. The Group also provides advice and consultation, suggests methods or measures for improvement in order to work efficiently and effectively, economize, prevent frauds 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 22		31 Dec 21		Shares held by the Bank (%)	Common Directors or Top Executives	
	Loans	Commitments	Loans	Commitments			
The Bank’s Subsidiaries ⁽¹⁾							
Krungthai Law Co., Ltd.	-	-	-	-	100.00	Mr. Pongsit Chaichatpornsuk Mr. Chanchai Sinsuparatn	
KTB General Services and Security Co., Ltd.	9	33	8	46	100.00	Mr. Santi Parivisutt Mr. Chanchai Sinsuparatn	
Krungthai Asset Management Pcl.	-	-	-	-	100.00	Mr. Rungruang Sukkirdkijpiboon	
Krungthai Computer Services Co., Ltd.	1,852	5	1,967	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 Vejikul	
Krungthai Card Pcl.	10,130	1	5,130	1	49.29	Ms. Praralee Ratanaprasartporn Mr. Rungruang Sukkirdkijpiboon	
Infinitas by Krungthai Co., Ltd. ⁽⁴⁾	-	-	-	-	-	Mr. Krairit Euchukanonchai Ms. Praralee Ratanaprasartporn Mr. Rawin Boonyanusasna Mr. Rungruang Sukkirdkijpiboon	
Arise by Infinitas Co., Ltd. ⁽⁵⁾	-	-	-	-	-	Ms. Praralee Ratanaprasartporn Mr. Thanakorn Kamjananut	
KTB Leasing Co., Ltd. ⁽²⁾	1,100	-	1,100	-	24.95	Mr. Chanchai Sinsuparatn	
KTC Nano Co., Ltd. ⁽²⁾	-	-	-	-	24.95	-	
KTC Prepaid Co., Ltd. ⁽²⁾	-	-	-	-	24.95	-	
KTC Pico (Bangkok) Co., Ltd. ⁽²⁾	-	-	-	-	24.95	-	
KTC Pico (Chonburi) Co., Ltd. ⁽³⁾	-	-	-	-	-	-	
KTC Pico (Pathumthani) Co., Ltd. ⁽³⁾	-	-	-	-	-	-	
KTC Pico (Samutprakan) Co., Ltd. ⁽³⁾	-	-	-	-	-	-	
KTC Pico (Samutsakhon) Co., Ltd. ⁽³⁾	-	-	-	-	-	-	

Remarks: (1) "Subsidiaries" and "associated companies" are in accordance with the definitions in the SEC Notification Re: Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Debt Securities.

(2) The Bank directly invests 24.95% and indirectly invests 75.05% through Krungthai Card Pcl.

(3) The Bank indirectly invests through KTC Pico (Bangkok) Co., Ltd., which holds 100% of the shares in the company.

(4) The Bank indirectly invests through KTB Advisory Co., Ltd. which holds 100% of the shares in the company.

(5) The Bank indirectly invests through Infinitas by Krungthai Co., Ltd., which holds 51% of the shares in the company.

(6) Krungthai Zmico Securities Co., Ltd. changed its name to Krungthai XSpring Securities Co.,Ltd. from April 4, 2022 onwards.

(7) Krungthai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd. from January 6, 2022 onwards.

(8) Associated companies according to the consolidated financial statement criteria, excluding those from the financial business group

(9) Related party transaction of the Bank and money market (asset)

Unit : Million Baht

	The Bank's Financial Statements					
	31 Dec 22		31 Dec 21		Shares held by the Bank (%)	Common Directors or Top Executives
	Loans	Commitments	Loans	Commitments		
<u>The Bank's Associated Companies</u> ⁽¹⁾						
Krungthai-AXA Life Insurance Pcl.	4,481	-	1,287	-	50.00	Ms. Praralee Ratanaprasartporn Mr. Rawin Boonyanusasna Mr. Rungruang Sukkirdkijiboon
Krungthai XSpring Securities Co., Ltd. ⁽⁶⁾	550	-	551	-	50.00	Mr. Weerapong Suppasedsak Mr. Rawin Boonyanusasna Ms. Saranya Vejakul Mr. Chalerm Pradidarecheep
Krungthai Mizuho Leasing Co., Ltd. ⁽⁷⁾	5,370	-	5,373	-	49.00	Mr. Ekachai Techawiriyakul
Krungthai Panich Insurance Pcl.	1	5	1	5	45.00	Mr. Weerapong Suppasedsak Ms. Saranya Vejakul Ms. Suwanna Anantanond Mr. Chalerm Pradidarecheep
National ITMX Co.,Ltd. ⁽⁸⁾	-	-	-	-	19.97	Mr. Payong Srivanich
BCI (Thailand) Co., Ltd. ⁽⁹⁾	-	-	-	-	22.17	Mr. Tawatchai Cheevanon

Remarks: (1) "Subsidiaries" and "associated companies" are in accordance with the definitions in the SEC Notification Re: Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Debt Securities.

(2) The Bank directly invests 24.95% and indirectly invests 75.05% through Krungthai Card Pcl.

(3) The Bank indirectly invests through KTC Pico (Bangkok) Co., Ltd., which holds 100% of the shares in the company.

(4) The Bank indirectly invests through KTB Advisory Co., Ltd. which holds 100% of the shares in the company.

(5) The Bank indirectly invests through Infinitas by Krungthai Co., Ltd., which holds 51% of the shares in the company.

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(7) Krungthai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd. from January 6, 2022 onwards.

(8) Associated companies according to the consolidated financial statement criteria, excluding those from the financial business group

(9) Related party transaction of the Bank and money market (asset)

Unit : Million Baht

The Bank's Financial Statements	31 Dec 22		31 Dec 21	
	Loans	Obligations	Loans	Obligations
<u>The Bank's Affiliated Companies</u>				
The Bank's Affiliated Companies (Businesses in which the Bank holds shares of 10% - 20%)	-	-	-	-
The Bank's Affiliated Companies in which the Bank holds shares from debt restructuring of 10% or more	8,718	1	8,256	1
The Bank's Affiliated Companies that have a parent company or a director or top executive together	23,056	59	21,955	142

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 22	31 Dec 21
<u>Subsidiaries</u>		
Deposits	4,510	4,336
Interbank and money market items (liabilities)	343	458
<u>Associated companies</u>		
Deposits	146	309
Interbank and money market items (liabilities)	2,979	3,233
Debt instruments and Loans	50	20
<u>Subsidiaries</u>		
Interest income	107	78
Interest expenses	7	6
Other income	882	1,292
Other expenses	6,601	6,366
<u>Associated companies</u>		
Interest income	106	69
Interest expenses	41	63
Other income	2,592	2,455
Other expenses	583	410

Related-party transactions of the Bank, and its subsidiaries and associated companies

o Intercompany trading transactions

Subsidiaries

1) The Bank assigned the Krungthai Computer Services Co., Ltd. to provide information technology services for the Bank in relation to the implementation of various projects and systems according to the Bank's business plan. The company also controls and provides system maintenance and development, as well as offers preliminary consultation and training for the Bank. In this regard, the Krungthai Computer Services Co., Ltd. charges service fees based on the Cost Plus method for the years ended December 31, 2022 and 2021 in the amount of Baht 4,125 million and Baht 3,728 million respectively.

Meanwhile, the Bank had assigned such subsidiary to act on behalf of the Bank in implementing the second phase of the GFMS Project since 2003. Krungthai Bank and Government Fiscal Management Information System Office and the Secretariat of the Prime Minister jointly signed a Memorandum of Understanding on September 22, 2005 for the adoption of the GFMS, including compensation and investment expenses payment of the project. Furthermore, the government sector and

the Bank signed another contract to hire the Bank to operate and maintain the GFMS. Krungthai Computer Services Co., Ltd. charged service fees from the Bank for the years ended December 31, 2022 and 2021 amounted to Baht 121 million and Baht 131 million respectively.

2) The Bank was responsible for the education loan management in terms of public relations policies, regulations, borrowing methods, loan payments, document storage, debt amount, debt status and payment, debt collection, and legal proceeds for Student Loan Fund (SLF). The Bank assigned Krungthai Law Co., Ltd. to take legal action against debtors of the SLF on behalf of the Bank. The Bank paid fees for the year ended December 31, 2022 and 2021 in the amount of Baht 23 million and Baht 21 million, respectively. Moreover, the Bank assigned Krungthai Law Co., Ltd. to handle other legal cases for the Bank, for which the Bank paid fees for the years ended December 31, 2022 and 2021 in the amount of Baht 193 million and Baht 178 million, respectively.

3) The Bank assigned KTB General Services and Security Co., Ltd. to be a cash delivery service operator, including the delivery of foreign currency/foreign instruments/financial instruments and/or assets of the Bank. Duties of KTB General

Services and Security Co., Ltd. also included managing the Bank's training center, the Bank's buildings and other services. The Bank paid service fees for the years ended December 31, 2022 and 2021 amounting to Baht 1,997 million and Baht 2,265 million, respectively.

4) The Bank assigned Infinitas by Krungthai Co., Ltd. to provide services and consultation on innovation and digital solutions, including management and adoption of information technology in various forms to meet the Bank's strategies. The Bank paid service fees for the years ended December 31, 2022 and 2021, amounting to Baht 41 million and Baht 37 million, respectively. Additionally, during the year ended December 31, 2022, the Bank recorded intangible assets developed by Infinitas by Krungthai Co., Ltd., totaling Baht 3,668 million.

The Bank entered into a support service agreement with Infinitas by Krungthai Co., Ltd., whereby the Bank charges shared service fees at the rate agreed. The Bank earned from providing services for the year ended December 31, 2022 and 2021 in the amount of Baht 107 million and Baht 39 million, respectively

5) The Bank earned service fees under contracts with subsidiaries for the year ended December 31, 2022 and 2021 amounted to Baht 882 million and Baht 1,290 million, respectively.

6) The Bank earned rental income from renting space to its subsidiaries at the rate agreed between related parties for the year ended December 31, 2022 and 2021 in the amount of Baht 1 million and Baht 2 million, respectively

o Intercompany considerations

Related party income and expenses between the Bank and its subsidiaries are paid at the agreed rate. The amount is specified in the contract. In some items, the amount is specified according to the Cost Plus system. Thus, the related party transactions between subsidiaries in the consolidated financial statements have been eliminated.

Associated companies

The Bank earns fee income from providing supporting services according to supporting service agreements for the year ended December 31, 2022 and 2021 in the amount of Baht 2,592 million and Baht 2,455 million, respectively.

9.2.2 Necessity and Reasonableness of Related-Party Transactions

Related party transactions or connected transactions conducted in 2022 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 or persons who might have a conflict of interest with the Bank or subsidiaries; and found that such transactions were conducted in accordance with the general nature of business. In addition, the Bank received and paid remuneration at market prices or fair prices. Such transactions also complied with the requirements of the regulators and were disclosed accurately and completely.

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

The Board of Directors' Responsibility for Financial Reports

The Board of Directors of the Krungthai Bank Public Company Limited places a great importance on its accountability for the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries, and financial information presented in the Annual Report. The financial statements have been prepared in accordance with Thai Financial Reporting Standards, with appropriate accounting policies applied on a conservative and consistent basis. All material information is sufficiently disclosed in the notes to financial statements for shareholders and investors. These financial statements have been audited by qualified independent auditors who have given their unqualified opinions.

The Board of Directors provides good corporate governance and maintains a sound system of internal control and risk management to ensure that accounting records are accurate, reliable, and adequate to protect the Bank's assets as well as to prevent fraud and significant irregular operations.

The Board of Directors has appointed the Audit Committee comprising of Independent Directors to oversee and review the creditability of the financial reports together with the effectiveness of internal control and risk management to ensure the accuracy and reliability of the Bank's financial statements. The Audit Committee has expressed its opinions in the Report of the Audit Committee in this Annual Report.

The Board of Directors is of the view that the Bank maintained an effective internal control system at a satisfactory level, which can assure that the Bank's financial statements and the consolidated financial statements of the Bank and its subsidiaries for the year ended December 31, 2022 are reliable and pursuant to generally accepted accounting standards and relevant laws and regulations.



(Mr. Krisada Chinavicharana)
Chairman of the Board of Directors



(Mr. Payong Srivanich)
President

Independent Auditor's Report

To the Shareholders of Krungthai 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 2022, 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 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards and the Bank of Thailand's regulations.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current year. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Allowances for expected credit losses of loans to customers

As discussed in Note 8.8 to the consolidated financial statements, as at 31 December 2022, the Group had loans to customers of Baht 2,592,838 million (representing 72 percent of total assets) and allowances for expected credit losses amounting to Baht 174,378 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 2022, the Group recognised interest income on loans to customers amounting to Baht 104,302 million (representing 83 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: 22 February 2023

Part 3 Financial Statements**KRUNGTHAI BANK PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION**

As at 31 December 2022

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Assets					
Cash	8.1	61,590,792	63,543,939	61,565,118	63,515,240
Interbank and money market items - net	8.3	550,940,565	469,216,499	549,955,203	468,832,143
Financial assets measured at fair value through profit or loss	8.4	33,568,015	18,038,574	33,568,015	18,306,692
Derivatives assets	8.5	83,170,487	52,659,994	83,170,487	52,659,994
Investments - net	8.6	277,054,816	342,041,937	277,554,194	342,121,904
Investments in subsidiaries and associated companies - net	8.7	12,319,651	21,974,786	11,175,610	11,042,216
Loans to customers and accrued interest receivables - net	8.8	2,443,831,839	2,476,219,848	2,361,276,730	2,401,462,429
Properties for sale - net	8.10	40,829,441	39,226,941	40,790,389	39,183,154
Land, premises and equipment - net	8.11	31,199,913	31,518,477	28,659,834	28,639,090
Right-of-use assets - net	8.12.1	3,660,321	4,271,626	3,028,949	3,486,000
Intangible assets - net	8.13	15,163,697	10,846,341	14,631,644	9,264,125
Deferred tax assets	8.14.1	4,497,292	4,788,684	1,957,578	2,254,205
Accrued income		2,490,168	2,290,835	2,451,896	1,998,823
Other assets - net	8.15	32,101,866	20,105,960	32,543,392	20,156,182
Total assets		3,592,418,863	3,556,744,441	3,502,329,039	3,462,922,197

The accompanying notes are an integral part of the financial statements.

(Krisada Chinavicharana)
Chairman(Payong Srivanich)
President

KRUNGTHAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2022

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Liabilities and equity					
Deposits	8.16	2,590,236,439	2,614,747,357	2,594,724,935	2,619,065,923
Interbank and money market items	8.17	277,098,585	296,344,379	272,492,597	292,398,188
Liabilities payable on demand		5,018,811	4,210,129	5,018,811	4,210,129
Financial liabilities measured at fair value through profit or loss	8.18	2,318,740	-	2,318,740	-
Derivatives liabilities	8.5	78,506,970	50,549,723	78,506,970	50,549,723
Debt issued and borrowings	8.19	151,171,799	133,817,209	106,902,043	91,391,660
Lease liabilities	8.12.2	3,687,832	4,276,620	3,002,514	3,448,570
Provisions	8.20	17,444,245	20,364,076	15,927,492	18,837,191
Other liabilities	8.21	74,363,410	58,323,508	67,425,344	51,286,436
Total liabilities		3,199,846,831	3,182,633,001	3,146,319,446	3,131,187,820
Equity					
Share capital	8.22				
Authorised share capital					
5,500,000 preferred shares of Baht 5.15 each		28,325	28,325	28,325	28,325
13,976,061,250 ordinary shares of Baht 5.15 each		71,976,715	71,976,715	71,976,715	71,976,715
Issued and paid-up share capital					
5,500,000 preferred shares of Baht 5.15 each		28,325	28,325	28,325	28,325
13,976,061,250 ordinary shares of Baht 5.15 each		71,976,715	71,976,715	71,976,715	71,976,715
Premium on share capital					
Premium on ordinary share		20,833,734	20,833,734	20,833,734	20,833,734
Deficit from the change in the ownership interests in subsidiary		(659,694)	(659,694)	-	-
Other components of equity	8.23	17,906,648	30,526,362	21,771,581	24,230,287
Retained earnings					
Appropriated					
Legal reserve	8.24	7,200,504	7,200,504	7,200,504	7,200,504
Unappropriated		259,018,538	230,146,946	234,198,734	207,464,812
Equity attributable to equity holders of the Bank		376,304,770	360,052,892	356,009,593	331,734,377
Non-controlling interests		16,267,262	14,058,548	-	-
Total equity		392,572,032	374,111,440	356,009,593	331,734,377
Total liabilities and equity		3,592,418,863	3,556,744,441	3,502,329,039	3,462,922,197

The accompanying notes are an integral part of the financial statements.



(Krisada Chinavicharana)
Chairman



(Payong Srivanich)
President

KRUNGTHAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit or loss					
Interest income	8.31	113,474,820	104,831,989	98,405,801	90,667,094
Interest expenses	8.32	23,070,169	21,460,180	21,759,677	20,103,427
Net interest income		90,404,651	83,371,809	76,646,124	70,563,667
Fees and service income		28,096,252	28,309,731	21,445,418	21,550,648
Fees and service expenses		7,780,630	8,288,103	5,563,825	5,799,231
Net fees and service income	8.33	20,315,622	20,021,628	15,881,593	15,751,417
Net gains on financial instruments measured at fair value through profit or loss	8.34	5,232,690	3,467,485	5,233,114	3,464,448
Net gains on investments	8.35	238,790	710,835	372,185	1,098,143
Share of profit from investments accounted for under equity method		1,094,766	1,046,430	-	-
Dividend income		351,737	379,054	3,336,631	2,941,351
Other operating income		7,752,630	6,788,500	4,382,496	3,528,494
Total operating income		125,390,886	115,785,741	105,852,143	97,347,520
Other operating expenses					
Employee's expenses		25,763,257	27,310,946	20,033,074	21,851,404
Directors' remuneration		377,219	323,702	116,092	46,725
Premises and equipment expenses		9,643,874	9,016,846	5,189,594	5,065,814
Taxes and duties		4,054,120	3,914,775	3,482,742	3,347,799
Impairment losses of properties for sale		1,312,867	2,084,358	1,289,099	2,066,281
Others		13,619,310	10,079,880	17,411,189	14,071,252
Total other operating expenses		54,770,647	52,730,507	47,521,790	46,449,275
Expected credit losses	8.36	24,337,556	32,523,779	19,697,098	27,066,079
Profit before income tax		46,282,683	30,531,455	38,633,255	23,832,166
Income tax	8.14.2	9,076,895	5,975,429	6,951,315	4,395,019
Net profit		37,205,788	24,556,026	31,681,940	19,437,147
Other comprehensive income (loss)					
<i>Transactions that will be reclassified subsequently to profit or loss</i>					
Gains (losses) on debt securities measured at fair value through other comprehensive income		(1,988,321)	(2,258,487)	(1,979,437)	(2,259,644)

The accompanying notes are an integral part of the financial statements.


(Krisada Chinavicharana)
Chairman

(Payong Srivanich)
President

KRUNGTHAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2022

(Unit: Thousand Baht except earnings per share expressed in Baht)

		Consolidated financial statements		Separate financial statements		
		2022	2021	2022	2021	
Note						
Other comprehensive income (loss) (continued)						
Gains (losses) arising from translating the financial statements of foreign operations		(54,734)	145,190	(54,734)	145,190	
Gains (losses) on cash flow hedges		328,791	(3,267)	328,791	(3,267)	
Gains (losses) from deferred cost of hedging		(35,945)	(134,961)	(35,945)	(134,961)	
Share of other comprehensive income (loss) of associate (equity method) for items that will be reclassified subsequently to profit or loss		(9,184,597)	(9,138,508)	-	-	
Income tax relating to other comprehensive income (loss) for items that will be reclassified subsequently to profit or loss		8.14.2	339,095	479,343	337,319	479,574
Transactions that will never be reclassified subsequently to profit or loss						
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		(1,180,086)	3,123,831	(1,180,086)	3,123,831	
Actuarial gains (losses) on defined benefit plan		1,109,473	854,822	983,116	756,946	
Share of other comprehensive income (loss) of associate (equity method) for items that will never be reclassified subsequently to profit or loss		(940,587)	1,232,537	-	-	
Income tax relating to other comprehensive income (loss) for items that will never be reclassified subsequently to profit or loss		8.14.2	14,123	(2,254,791)	39,394	(2,235,215)
Other comprehensive income (loss) - net			(11,592,788)	(658,990)	(1,561,582)	7,167,755
Total comprehensive income (loss)			25,613,000	23,897,036	30,120,358	26,604,902
Total profit attributable to:						
Equity holders of the Bank			33,697,736	21,588,290	31,681,940	19,437,147
Non-controlling interest			3,508,052	2,967,736		
			37,205,788	24,556,026		
Total comprehensive income attributable to:			-	-		
Equity holders of the Bank			22,097,020	20,927,359	30,120,358	26,604,902
Non-controlling interest			3,515,980	2,969,677		
			25,613,000	23,897,036		
Earnings per share of the Bank		8.37	-	-		
Basic earnings per share (Baht)			2.41	1.54	2.27	1.39

The accompanying notes are an integral part of the financial statements.



(Krisada Chinavicharana)
Chairman



(Payong Srivanich)
President

KRUNGTHAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

(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				Retained earnings	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	Hedge reserve (Note 8.5.2)	Gains (losses) from translating the financial statements					Share of other comprehensive income (loss) of associates	
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 payment (Note 8.25)	-	-	-	-	-	-	-	-	(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
Balance as at 1 January 2022	72,005,040	20,833,734	(659,694)	14,296,331	10,076,906	67,482	73,158	6,012,485	237,347,450	360,052,892	14,058,548	374,111,440
Dividends payment (Note 8.25)	-	-	-	-	-	-	-	-	(5,845,142)	(5,845,142)	(1,307,266)	(7,152,408)
Transfer to retained earnings	-	-	-	(85,130)	(25,502)	-	-	(28,715)	139,347	-	-	-
Total comprehensive income (loss)	-	-	-	-	(2,534,726)	234,277	(54,734)	(10,125,184)	34,577,387	22,097,020	3,515,980	25,613,000
Balance as at 31 December 2022	72,005,040	20,833,734	(659,694)	14,211,201	7,516,678	301,759	18,424	(4,141,414)	266,219,042	376,304,770	16,267,262	392,572,032

The accompanying notes are an integral part of the financial statements.



(Krisada Chinavicharana)
Chairman



(Payong Srivanich)
President

KRUNGTHAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES **STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

For the year ended 31 December 2022

(Unit: Thousand Baht)

	Separate financial statements							
	Issued and fully paid-up share capital	Premium on share capital	Other components of equity				Retained earnings	Total
			Surplus (deficit) on revaluation of assets	Surplus (deficit) on revaluation of investments	Hedge reserve (Note 8.52)	Gains (losses) from translating the financial statements		
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 8.25)	-	-	-	-	-	-	(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
Balance as at 1 January 2022	72,005,040	20,833,734	14,005,413	10,084,234	67,482	73,158	214,665,316	331,734,377
Dividends payment (Note 8.25)	-	-	-	-	-	-	(5,845,142)	(5,845,142)
Transfer to retained earnings	-	-	(85,130)	(25,502)	-	-	110,632	-
Total comprehensive income (loss)	-	-	-	(2,527,617)	234,277	(54,734)	32,468,432	30,120,358
Balance as at 31 December 2022	72,005,040	20,833,734	13,920,283	7,531,115	301,759	18,424	241,399,238	356,009,593

The accompanying notes are an integral part of the financial statements.



(Krisada Chinavicharana)
Chairman



(Payong Silvanich)
President

KRUNGTHAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before income tax	46,282,683	30,531,455	38,633,255	23,832,166
Adjustments to reconcile profit before income tax to net cash received (paid) from operating activities:				
Depreciation and amortisation expenses	6,064,588	5,354,721	4,205,274	3,609,124
Expected credit losses	24,337,556	32,523,779	19,697,098	27,066,079
Share of profit from investments accounted for under equity method	(1,094,766)	(1,046,430)	-	-
(Gains) losses on disposal of assets	(3,495)	2,224	(7,216)	(187)
(Gains) losses on disposal of investments	(238,790)	(710,835)	(238,790)	(511,674)
Unrealised (gains) losses on financial instruments measured at fair value through profit or loss	(729,539)	3,695,955	(729,964)	3,698,991
(Reversal) losses on impairment of properties for sale	1,312,867	2,084,358	1,289,099	2,066,281
(Reversal) losses on impairment of investment	-	-	(133,394)	(586,469)
(Reversal) losses on impairment of premises and equipment	(1,127)	(17,828)	(1,127)	(17,828)
(Reversal) losses on impairment of other assets	48,836	224,354	23,900	215,704
Amortisation of premium (discount) on investments	2,854,404	455,086	347,404	452,404
(Gains) losses on foreign currency translation	1,303,504	657,745	1,303,504	657,745
Increase (decrease) in provisions	580,629	2,392,578	368,711	2,193,056
(Increase) decrease in other accrued income	(64,051)	25,086	(317,792)	(211,417)
Increase (decrease) in other accrued expenses	2,731,759	1,784,770	3,475,618	221,007
Net interest income	83,385,058	77,957,018	67,915,580	62,684,982
Dividend income	(90,404,651)	(83,371,809)	(76,646,124)	(70,563,667)
Proceeds from interest income	(351,737)	(379,054)	(3,336,631)	(2,941,351)
Cash paid on interest expenses	108,439,079	100,753,313	93,467,210	86,633,845
Proceeds from dividend income	(22,919,883)	(21,222,817)	(21,617,825)	(19,810,503)
Cash refunded for income tax	976,249	948,070	3,336,428	2,941,938
Cash paid on income tax expenses	47,239	149,134	32,609	6,382
Income from operating activities before changes in operating assets and liabilities	(7,929,260)	(5,042,300)	(5,835,611)	(3,443,439)
(Increase) decrease in operating assets				
Interbank and money market items	71,242,094	69,791,555	57,315,636	55,508,187
Financial assets measured at fair value through profit or loss	(82,428,066)	48,009,107	(81,827,015)	47,922,301
Derivatives assets	(15,764,466)	(4,443,497)	(15,495,923)	(4,249,968)
Loans to customers	3,538,475	18,364,637	3,538,475	18,364,637
Properties for sale	11,042,707	(313,942,764)	23,613,445	(307,092,737)
Other assets	2,766,554	3,413,169	2,561,507	3,280,448
	(13,322,798)	8,562,717	(13,732,197)	8,387,647

The accompanying notes are an integral part of the financial statements.


(Krisada Chinavicharana)
Chairman

(Payong Srivanich)
President

KRUNGTHAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Increase (decrease) in operating liabilities				
Deposits	(25,408,998)	151,522,075	(25,239,068)	152,285,513
Interbank and money market items	(20,517,357)	21,858,948	(21,177,153)	24,054,316
Liabilities payable on demand	784,607	(521,824)	784,607	(521,824)
Financial liabilities measured at fair value through profit or loss	2,285,258	-	2,285,258	-
Derivatives liabilities	(4,374,630)	(15,059,908)	(4,374,630)	(15,059,908)
Other liabilities	7,021,887	(1,278,369)	6,301,323	1,002,580
Net cash provided by (used in) operating activities	(63,134,733)	(13,724,154)	(65,445,735)	(16,118,808)
Cash flows from investing activities				
Purchase of debt and equity securities measured at fair value through other comprehensive income	(121,333,137)	(161,396,728)	(121,441,137)	(161,730,728)
Proceeds from disposal of debt and equity securities measured at fair value through other comprehensive income	180,433,208	139,432,525	180,433,208	139,432,567
Purchase of debt securities measured at amortised cost	(2,483,922)	(2,264,851)	(280,948)	(746,654)
Proceeds from disposal of debt instruments measured at amortised cost	634,608	2,402,709	635,653	1,047,327
Purchase of investments in subsidiaries/associates	-	(2,571)	-	(2,571)
Proceeds from disposal of investments in subsidiaries/associates	-	-	-	551,338
Purchase of intangible assets	(3,500,918)	(4,974,184)	(4,029,942)	(4,958,044)
Purchase of land, premises and equipment	(1,352,618)	(1,273,952)	(579,418)	(625,943)
Proceeds from disposal of land, premises and equipment	10,475	643	9,353	467
Net cash provided by (used in) investing activities	52,407,696	(28,076,409)	54,746,769	(27,032,241)
Cash flows from financing activities				
Proceeds from debt issued and borrowings	51,226,821	53,309,324	41,104,108	44,278,434
Repayments of debt issued and borrowings	(32,943,118)	(9,037,075)	(24,604,118)	(117,875)
Repayments of lease liabilities	(2,302,671)	(2,385,105)	(1,851,270)	(1,909,264)
Dividend paid for ordinary share	(5,841,993)	(3,843,417)	(5,841,993)	(3,843,417)
Dividend paid for preferred share	(3,149)	(2,362)	(3,149)	(2,362)
Dividend paid to non-controlling interests	(1,307,266)	(1,150,410)	-	-
Increase in non-controlling interests	-	147,000	-	-
Net cash provided by (used in) financing activities	8,828,624	37,037,955	8,803,578	38,405,516
Gains (losses) from translating the financial statements of foreign operations	(54,734)	145,190	(54,734)	145,190
Decrease in cash and cash equivalents	(1,953,147)	(4,617,418)	(1,950,122)	(4,600,343)
Beginning balance of cash and cash equivalents	63,543,939	68,161,357	63,515,240	68,115,583
Ending balance of cash and cash equivalents	61,590,792	63,543,939	61,565,118	63,515,240

The accompanying notes are an integral part of the financial statements.



(Krisada Chinavicharana)
Chairman



(Payong Srivanich)
President

Part 3 Financial Statements**KRUNGTHAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****TABLE OF CONTENTS FOR NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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KRUNGTHAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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Part 3 Financial Statements

KRUNGTHAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. General information

Krung Thai Bank Public Company Limited (“the Bank”) is a public company limited registered in Thailand with its head office located at 35 Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok. The Bank engages in commercial banking business and conducts its business through a nationwide branch network and in certain major centers of the world.

2. Basis of preparation of the financial statements

These financial statements are presented in accordance with the Notification of the Bank of Thailand (“BOT”) No. SOR NOR SOR. 21/2561 dated 31 October 2018, regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups, including any other supplementary BOT’s Notifications; and with the regulations of the Stock Exchange of Thailand (“SET”) dated 2 October 2017, regarding the Preparation and Submission of Financial Statements and Report on Financial Position and Results of Business Operations of Listed Companies, B.E. 2560. Moreover, these financial statements are prepared in conformity with financial reporting standards, under the Accounting Act B.E. 2547.

The consolidated financial statements

The consolidated financial statements comprise the financial statements of the Bank and those of its subsidiaries in which the Bank has a controlling interest, after eliminating significant intercompany transactions and balances. The list of 16 subsidiaries is shown in Note 8.7.1 to the consolidated financial statements. The financial statements of the subsidiaries are prepared for the same reporting period as the Bank, using the same significant accounting policies. In cases where there are different accounting policies, the Bank has adjusted the effect of these differences in the consolidated financial statements.

The percentages of shareholdings and investments in the Bank's subsidiaries and associated companies are shown in Note 8.7 to the consolidated financial statements.

Investments in associated companies are accounted in the consolidated financial statements using the equity method.

The separate financial statements

Investments in subsidiaries and associated companies are accounted for in the separate financial statements using the cost method.

The Bank's financial statements for the year ended 31 December 2022 and 2021 included the accounts of domestic and foreign branches, after eliminating the effects of all interbranch transactions.

The English language financial statements

The financial statements in Thai language are the official statutory financial statements of the Bank. The financial statements in English language have been translated from the Thai language financial statements. In case of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Bank and its subsidiaries have adopted the revised financial reporting standards and interpretations 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 providing accounting guidance for users of the standards.

However, the Bank and its subsidiaries have adopted the temporary reliefs in accordance with TFRS 9 Financial Instruments, TFRS 7 Disclosure of Financial Instruments, TFRS 4 Insurance Contracts and TFRS 16 Leases, which apply to transactions directly affected by interest rate benchmark reform, including changes to contractual cash flows or hedging relationships arising from the replacement of the referenced interest rate benchmark with an alternative benchmark rate.

The adoption of these financial reporting standards and temporary reliefs do not have any significant impact on the Bank and its subsidiaries' financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

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 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Bank and its subsidiaries believe that adoption of these amendments will not have any significant impact on the Bank and its subsidiaries' financial statements.

3.3 Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19

The Federation of Accounting Professions announced Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19. Its objectives are to provide temporary relief measures and an alternative for all entities providing assistance to debtors in accordance with guidelines of the BOT. The accounting guidance is applicable for provisions of assistance to such debtors made during the period from 1 January 2022 to 31 December 2023 or until the BOT makes changes.

Under this accounting guidance, the Bank and its subsidiaries may elect to adopt the accounting treatments consistent with the circular of the BOT No. BOT.RPD2.C.802/2564 “Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)”. The assistance to debtors can be classified into 2 groups by debt restructuring method as follows:

- For debt restructuring for the purpose of reducing the debt burden of debtors that involves more than just a payment timeline extension, the Bank and its subsidiaries may elect to apply temporary relief measures relating to staging assessment and setting aside of provisions. (Assistance type 1)
- For debt restructuring involving only a payment timeline extension, the Bank and its subsidiaries is required to perform staging assessment and set aside provisions in accordance with the relevant financial reporting standards. (Assistance type 2)

The Bank and its subsidiaries provide both types of assistance to debtors. For assistance type 1, the Bank and its subsidiaries has elected to apply all temporary relief measures under this accounting guidance relating to staging assessment and setting aside of provisions.

4. Significant accounting policies

4.1 Revenue recognition

Interest income

The Bank and its subsidiaries recognise interest income by using the Effective Interest Rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The effective interest rate is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the effective interest rate.

The Bank and its subsidiaries calculate interest income by applying the effective interest rate to the gross carrying amount of financial assets. When a financial asset becomes credit-impaired, the Bank and its subsidiaries calculate interest income by applying the effective interest rate to the net carrying amount (gross carrying amount net of allowance for expected credit losses) of the financial asset. If the financial asset is no longer credit-impaired, the Bank and its subsidiaries revert to calculating interest income on a gross carrying amount.

For the effective interest rate of financial assets or liabilities referenced with new benchmark rates arising from the interest rate benchmark reform, it is calculated as same as a calculation of effective interest rate for floating rate contracts. The new effective interest rate will be calculated on the first date that the benchmark rate has been changed and effective. This is not considered term modification because it is an adjustment to be economically equivalent such as spread adjustment.

Fee and service income

Unless included in the effective interest rate calculation, the Bank and its subsidiaries recognise fee income on an accrual basis when the service has been provided or upon satisfaction of performance obligations.

Dividend income

Dividend income from investments is recognised when declared.

4.2 Expenses recognition

Interest expenses

Interest expenses on financial liabilities measured at amortised cost are calculated using the Effective Interest Rate method and recognised on an accrual basis.

Fee and service expenses, and other operating expenses

The Bank and its subsidiaries recognise fee and service expenses and other operating expenses on an accrual basis.

4.3 Net gains (losses) from financial instruments measured at fair value through profit or loss

Net gains (losses) from financial instruments measured at fair value through profit or loss consist of gains (losses) on trading and foreign exchange transactions, gains (losses) from changes in the fair value of derivatives and financial assets designated at fair value through profit or loss, gains (losses) from sales of financial assets measured at fair value through profit or loss, and derivatives, and net gains (losses) from hedge accounting. The Bank and its subsidiaries recognise them as income or expenses on the transaction date.

4.4 Cash and Cash Equivalents

Cash and cash equivalents represent cash in hand and cash on collection.

4.5 Derivatives and hedge accounting

Derivatives are initially recorded at fair value at the date on which a derivative contract is entered into (Trade Date) and are classified as trading, except for where they are designated as a part of an effective hedge relationship and classified as hedging derivatives. Derivatives are subsequently measured at fair value. The changes in fair value are recognised as gains (losses) on financial instruments measured at fair value through profit or loss unless hedge accounting is applied. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Hedge accounting

The Bank and its subsidiaries make use of derivatives to manage exposures arising from assets, liabilities, off-balance sheet items, net position or cash flow. Hedging accounting can be applied for hedged items and hedging instruments. Upon meeting specified criteria for hedge accounting, the Bank and its subsidiaries apply hedge accounting for the aforementioned derivatives. The Bank and its subsidiaries designate certain derivatives as follows:

- Fair value hedges
- Cash flow hedges
- Dynamic hedges

In hedging, the Bank and its subsidiaries take into consideration the relationship between hedging instruments and the hedged items, including the nature of the risk, the objective and strategy for undertaking the hedge as well as the effectiveness of the hedging relationship.

Although there is an interest rate benchmark reform, the Bank and its subsidiaries can continue applying current hedge accounting as there will be a pricing adjustment that will make old and new contract terms economically equivalent. However, the Bank and its subsidiaries amend hedge relationship to reflect new interest rate and amend description of hedged items and hedging instruments.

Fair value hedges

The Bank and its subsidiaries recognise the movement in fair value of the hedged item and of the hedging instrument in profit or loss, except for the hedging transaction of investments in equity securities designated at fair value through other comprehensive income which the movement in fair value will be recognised in the other comprehensive income that will be recognised at fair value movement of the hedged item and of the hedging instrument in other comprehensive income. The cumulative changes in the fair value attributable to the hedged risk of hedged item is made as an adjustment to the carrying value of the hedged assets or liabilities.

The Bank adopts interest rate swap contract and/or interest rate swap option contract to hedge the risk from changes in fair value from interest rate of debt issued and borrowings and/or interbank and money market items (liabilities) and/or loans to customers. The Bank performs hedge effectiveness test by comparing changes in fair value (only a portion of risk being hedged) of hedged items with changes in fair value of hedging instruments. In addition, the Bank has also considered a qualitative approach by comparing the critical terms of significant characteristics such as cash flow, interest rate, and the duration of hedged items and hedging instruments that make perfectly match from the designation date. Causes of ineffectiveness of hedging could be arisen from the differences in cash flow and the differences in duration between hedged duration and hedging instruments.

The Bank adopts foreign currency swap contract and foreign currency forward contract to hedge risk from changes in fair value of foreign exchange rate risk of investments in equity securities designated at fair value through other comprehensive income. The Bank performs hedge effectiveness test by comparing changes in fair value (only a portion of risk being hedged) of hedged items with changes in fair value of hedging instruments by excluding cost of hedging in the effectiveness test. In addition, the Bank has also considered a qualitative approach by comparing the critical terms of significant characteristics such as cash flow, interest rate, and the duration of hedged items and hedging instruments that make perfectly match from the designation date. Causes of ineffectiveness of hedging could be arisen from the differences in cash flow and the differences in duration between hedged items and hedging instruments.

When a hedging instrument expires, is sold, is terminated or is exercised, or when a hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is amortised to profit or loss in the statement of comprehensive income using effective interest rate. Where the hedged item is derecognised from the statement of financial position, the unamortised fair value adjustment is immediately recognised in profit or loss in the statement of comprehensive income.

Cash flow hedges

The Bank and its subsidiaries recognise an effective portion of the cumulative changes in the fair value of hedging instrument in the cash flow hedge reserve within equity. The gains or losses relating to the ineffective portion is immediately recognised in profit or loss in the statement of comprehensive income. The cash flow hedges reserve in equity are transferred to profit or loss in 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 investments in debt securities that are not measured at fair value through profit or loss. The Bank performs effectiveness test by comparing changes in fair value between hedged items by creating hypothetical derivative and changes in fair value of hedging instrument by excluding cost of hedging in the effectiveness test. In addition, the Bank has also considered a qualitative approach by comparing critical terms of significant characteristics such as cash flow, interest rate, and the duration of hedged items and hedging instruments that make perfectly match from the transaction date. Causes of ineffectiveness of hedging could be arisen from the differences in cash flow and the differences in duration between hedged items and hedging instruments.

When a hedging instrument expires, is sold, is terminated or is exercised, or when a hedge no longer meets the criteria for hedge accounting, the cash flow hedges reserve in equity at that time remains in equity and is recognised in profit or loss in the statement of 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 profit or loss in 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 criteria are met:

- The economic characteristics and risks are not closely related to the host;
- A separated embedded derivative from the host would meet the definition of a derivative; and
- The hybrid contract is not measured at fair value through profit or loss.

4.6 Financial instruments

Recognition of financial instruments

The Bank and its subsidiaries recognise financial assets or financial liabilities when the Bank and its subsidiaries become a party to the contractual provisions of the financial instruments.

Classification and measurement of financial assets and financial liabilities

Financial assets - debt instruments

The Bank and its subsidiaries classify its financial assets - debt instruments as subsequently measured at amortised cost or fair value in accordance with the Bank's and its subsidiaries' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets as follows:

- Financial assets measured at amortised cost only if both following conditions are met: the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value on trade date and subsequently measured at amortised cost net of allowance for expected credit losses (if any).
- Financial assets measured at fair value through other comprehensive income only if both following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset as well as the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value and subsequently measured at fair value. The unrealised gains or losses from changes in their fair value are reported as a component of shareholders' equity through other comprehensive income until realised, after which such gains or losses on disposal of the instruments will be recognised in profit or loss in the statement of comprehensive income. The gains or losses on foreign exchange, expected credit losses, and interest income which calculated using the effective interest rate method are recognised in profit or loss in the statement of comprehensive income.

- Financial assets measured at fair value through profit or loss unless the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows or, the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value and are subsequently measured at fair value. Unrealised gains and losses from changes in fair value, and gains and losses on disposal of instruments are recognised as gains (losses) on financial instruments measured at fair value through profit or loss.

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. Dividend received on these investments is recognised in profit or loss in the statement of comprehensive income, except when the dividends clearly represent a recovery of part of the cost of the investments, in which case, it is recognised in other comprehensive income.

Financial liabilities

The Bank and its subsidiaries classify and measure financial liabilities, other than loan commitments and financial guarantee contracts, at amortised cost or fair value through profit or loss when they are held for trading.

Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost.

The Bank and its subsidiaries classify financial liabilities as held for trading when they have been issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held for trading financial liabilities are initially recognised at fair value, with transaction costs recognised in profit or loss in the statement of comprehensive income as incurred, and subsequently measured at fair value. Unrealised gains and losses from changes in fair value, and realised gains and losses are recognised as gains (losses) on financial instruments measured at fair value through profit or loss.

Modifications of financial instrument not measured at fair value**Financial assets**

If the terms of a financial asset are modified, the Bank and its subsidiaries evaluate whether the cash flows of the modified financial asset are different from the original financial assets significantly. The original financial asset is derecognised and a new financial asset is recognised at fair value. The difference between the carrying amount of the financial asset extinguished and the new financial asset is recognised in profit or loss as a part of expected credit losses.

If the cash flows of the modified financial asset are not substantially different, the Bank and its subsidiaries recalculate the gross carrying amount of the financial asset and recognise the amount arising from adjusting the gross carrying amount as a modification gains or losses in profit or loss which is presented as expected credit losses.

Financial liabilities

The Bank and its subsidiaries derecognise a financial liability when its terms are modified, and the cash flows of the modified financial liability are substantially different. A new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability is recognised in profit or loss.

If the cash flows of the modified financial liability are not substantially different, the Bank and its subsidiaries adjust the carrying amount of the financial liability to reflect the net present value of the revised cash flows discounted at the original effective interest rate and recognises the amount arising from adjusting the carrying amount as a modification gains or losses.

Derecognition of financial instruments

The Bank and its subsidiaries derecognise a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created or retained by the Bank and its subsidiaries, are recognised separately as asset or liability.

A financial liability is derecognised from the statement of financial position when the Bank and its subsidiaries have discharged its obligation, or the contract is cancelled or expires.

Write-off

Debts that are determined to be irrecoverable are written off (either partially or in full) in the period in which the decision is taken. This is generally the case when the Bank and its subsidiaries determine that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off are still subject to enforcement activities in order to comply with the Bank's and its subsidiaries' procedures for recovery of amount due.

4.7 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies in the separate financial statements are accounted for under the cost method net of allowance for impairment (if any). Losses on impairment is recognised as expenses in profit or loss in the statements of comprehensive income.

Investments in associated companies in the consolidated financial statements are accounted for under the equity method. Under this method, investments are initially recorded at acquisition cost and are adjusted to reflect the attributable shares of the operations result of the associated companies, in proportion to the investment.

4.8 Allowance for expected credit losses on financial assets

The Bank and its subsidiaries recognise expected credit losses of financial assets - debt instruments which are interbank and money market items (assets), loans to customers and investments in debt securities, together with loan commitments and financial guarantee contracts, which are measured at amortised cost or fair value through other comprehensive income using the General Approach. The Bank and its subsidiaries classify their financial assets into three stages based on the changes in credit risk since initial recognition as follows:

Stage 1: Financial assets where there has not been a significant increase in credit risk (Performing)

For credit exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the Bank and its subsidiaries recognise allowance for expected credit losses at the amount equal to the expected credit losses in the next 12 months. The Bank and its subsidiaries will use a probability of default that corresponds to remaining maturity for financial assets with a remaining maturity of less than 12 months.

Stage 2: Financial assets where there has been a significant increase in credit risk (Under-Performing)

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, the Bank and its subsidiaries recognise allowance for expected credit losses at the amount equal to the lifetime expected credit losses of financial assets.

Stage 3: Financial assets that are credit-impaired (Non-Performing)

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit-impaired, the Bank and its subsidiaries recognise allowance for expected credit losses at the amount equal to the lifetime expected credit losses of financial assets.

At every reporting date, the Bank and its subsidiaries assess whether there has been a significant increase in credit risk of financial assets since initial recognition by comparing the risk of default over the expected lifetime at the reporting date with the credit risk at the date of initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Bank and its subsidiaries use internal quantitative and qualitative indicators, and forecasts information to assess the deterioration in credit quality of financial assets such as arrears of over 30 days past due, forbearance status for debt restructuring agreements, loans on the Early warning sign, loans that are classified as High Risk group and that are closely monitored by management, a changes of internal credit rating of the borrower since initial recognition, and issuer credit rating as either 'non-investment grade' or 'no rating' for investments in debt securities, etc.

The Bank and its subsidiaries assess whether the credit risk has increased significantly from the date of initial recognition on an individual or collective basis. In order to perform collective evaluation of impairment, the Bank and its subsidiaries classify financial assets on the basis of shared credit risk characteristics, taking into account type of instrument, internal credit ratings, overdue status, and other relevant factors.

Financial assets are assessed to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the counterparties have occurred. Evidence of credit-impaired financial assets includes arrears of over 90 days past due or having indications that the borrower is experiencing significant financial difficulty, a breach of contract, bankruptcy or distressed restructuring.

A loan to customer that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be significant increase in credit risk or credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

The Bank and its subsidiaries consider their historical loss experience, adjusts with the current observable data and add on the reasonable and supportable forecasts of future economic conditions, including appropriate use of judgement, to estimate the amount of an expected credit losses. The Bank and its subsidiaries determine both current and future economic scenario, and probability-weighted in each scenario (base scenario, upturn scenario and downturn scenario) for calculating expected credit losses. The use of macroeconomic factors which major are include, but is not limited to, unemployment rate and property price index, etc. The Bank and its subsidiaries have established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on a yearly basis.

In the case of investments in debt securities measured at fair value through other comprehensive income, the Bank and its subsidiaries recognise impairment charged in profit and loss as expected credit losses and the corresponding allowance for expected credit losses in other comprehensive income, whereas the carrying amount of the investments in debt securities in the statement of financial position still present at fair value.

The measurement of expected credit losses for loan commitments is the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank and its subsidiaries expect to receive. The measurement of expected credit losses for financial guarantees is based on the expected payments to reimburse the holder less any amounts that the Bank and its subsidiaries expect to recover.

In addition, a subsidiary of the Bank recognises allowance for expected credit losses of finance lease receivables using Simplified Approach. The subsidiary recognises allowance for expected credit losses at an amount equal to lifetime expected credit losses.

Increase (decrease) in an allowance for expected credit losses is recognised as expenses during the year in profit or loss in the statement of comprehensive income.

4.9 Trouble debt restructuring

Debt restructuring of non-performing loans (Stage 3) is considered a troubled debt restructuring regardless of whether losses are incurred from the restructuring in accordance with the BOT's guideline of debt restructuring. The Bank and its subsidiaries determine the present value of the expected future cash flows to be received based on the terms of the new debt restructuring agreement, discounted by the loan's original effective interest rate. The difference between the outstanding loan balance and the present value of the expected future cash flows is recognised under gains (losses) on term modifications of contracts and treated as expected credit losses in profit or loss on the debt restructuring date.

Regarding troubled debt restructuring debtors impacted by the COVID-19 pandemic that the Bank provides assistance in accordance with guidelines of the BOT guidance (sustainable debt resolution) which is applicable for provisions of assistance to such debtors made during the period from 1 January 2022 to 31 December 2023 or until the BOT makes changes. The Bank and its subsidiaries may elect to apply temporary relief measures relating to staging assessment and setting aside of provisions. (Assistance type 1) as follows:

- Non-NPL modified loans (pre-emptive restructures) can be classified as loans where there has not been a significant increase in credit risk (Performing) immediately, provided that analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement.
- NPL modified loans that are considered to be troubled debt restructuring can be classified as loans where there has not been a significant increase in credit risk (Performing) if the debtor is able to make repayment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period.
- Used the new effective interest rate to calculate the present value of the restructured loan. If the debt restructuring results in the original effective interest rate not reflecting the expected cash flows from the loan.

In addition, the Bank continues to closely monitor the debtors payment ability and has considered additional expected credit losses (ECLs) through Management Overlay to cover the current expectation of the possible impact of the economic situation on the loans to customers.

4.10 Properties for sale

Properties for sale is stated at the lower of cost or net realisable value, which is determined with reference to the latest appraisal value less estimated selling expenses, adjusts these in accordance with the BOT's guideline and taking into consideration the type and the nature of the assets. The Bank recognises losses on impairment as other operating expenses in profit or loss in the statement of comprehensive income. Net gains or losses on disposals of those properties for sale after deducting selling expenses are recognised as other operating income in profit or loss in the statement of comprehensive income, except for sales that allow buyer to borrow money which gains or losses on disposals will be recognised in accordance with the BOT's guideline.

According to the BOT's policy No.SOR NOR SOR.5/2565, regarding Immovable properties for sale and no. SOR NOR SOR.4/2564, regarding the Measures to support the receiving of transferred collateral assets for debt repayment under Royal Decree for providing assistance and rehabilitation of business entrepreneurs affected by the coronavirus disease 2019 outbreak in Classification 2 No.4.5 Principle to Foreclosed Properties and No.THOR POR THOR. PHOR NOR SOR. (23) WOR.575/2562 dated 8 May 2019, regarding Delivery Policy of Appraisal Guarantee and Properties for Sale acquired through Debt Repayment, Loan Collateral or Public Auction of Financial Institutions, all properties for sale are appraised by the external appraisers. Except for properties for sale in risk areas in the southern region (Pattani, Yala, Narathiwat and Sadao District of Songkhla) with a book value of less than Baht 50 million, appraised by an internal appraiser or an external appraiser on a case-by-case basis.

4.11 Land, premises and equipment and depreciation

Land is presented at revalued amount. Premises and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). Land is revalued on a 5 year basis by independent appraisers in accordance with the BOT's regulations so that the book value at the end of the reporting period is not significantly different from fair value.

The Bank and its subsidiaries recognise the differences arising from the revaluation as follows:

- When an asset's carrying amount is increased as a result of the revaluation, the increase is credited directly to other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". However, the revaluation increase is recognised as income to the extent that it reverses the revaluation decrease in respect of the same asset previously recognised as an expense.

- When an asset's carrying amount is decreased as a result of the revaluation, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to other comprehensive income to the extent that it does not exceed the amount already held in "Surplus on revaluation of assets" in respect of the same asset.

The Bank and its subsidiaries write-off assets with additional appraisal when disposal or expected no future economic benefits from the use or disposal assets. The surplus from the revaluation of assets outstanding at the write-off date is transferred directly to retained earnings.

Depreciation of premises is calculated on the straight-line basis over their useful lives. Since 1 April 2012, depreciation of premises is calculated on the straight-line basis over their residual useful lives not over 50 years which appraised by independent appraisers. Before 1 April 2012, depreciation of premises is calculated on the straight-line basis over their useful lives of 20 years.

Depreciation of equipment is calculated on the straight-line basis over their useful lives of 5 years. Equipment with an acquisition cost not exceeding Baht 3,000 is charged directly to expense in the period of acquisition. The amounts of those transactions have no significant effect to financial statements.

Depreciation method, useful lives, and residual value are annually reviewed.

No depreciation is provided on assets under installation.

4.12 Intangible assets

Intangible assets, comprising computer software, licenses and development costs are presented at cost net accumulated amortisation and allowance for impairment (if any).

For internally generated intangible assets, the Bank and its subsidiaries classify the generation of the asset into a research phase and a development phase. The Bank and its subsidiaries recognise expenditure on the research phase as an expense in profit or loss when it is incurred and recognise expenditure on the development phase as intangible assets when it meets all the recognition criteria.

The Bank and its subsidiaries amortise intangible assets with finite lives by the straight-line basis over their economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The Bank and its subsidiaries will review amortisation period and the amortisation method of such intangible assets at least at each financial year end. Amortisation is recognised as an expense in the statement of comprehensive income.

The intangible assets with finite useful lives have useful lives of approximately 3 - 10 years.

No amortisation for computer software under development.

4.13 Leases

At inception of contract, the Bank and its subsidiaries assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Bank and its subsidiaries as lessees

The Bank and its subsidiaries apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Bank and its subsidiaries recognise right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets include the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets is calculated by reference to their costs, on the straight-line basis over the shorter of the lease term and the estimated useful lives as follows:

Premises	1 - 35	years
Equipment	2 - 5	years
Vehicles	1 - 5	years

If the ownership of the leased asset transfers to the Bank and its subsidiaries at the end of the lease term or the cost of such assets reflect the exercise of a purchase option, depreciation is calculated using the estimated useful lives of assets.

The Bank and its subsidiaries have to assess the impairment of right-of-use assets as mentioned in Note 4.15 to the consolidated financial statements regarding Impairment of non-financial assets.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Bank and its subsidiaries and payments of penalties for terminating the lease, if the lease term reflects the Bank and its subsidiaries exercising an option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Bank and its subsidiaries discounted the present value of the lease payments by the interest rate implicit in the lease or the Bank and its subsidiaries's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Bank and its subsidiaries as lessors

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. The Bank and its subsidiaries 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 profit or loss. Except for the case that reversal of the revalued increased of the same assets that used to be recognised in equity, when impairment occurred latterly it will be recognised in equity.

4.16 Related party transactions

Related parties comprise persons or entities that control, or are controlled by, the Bank and its subsidiaries, whether directly or indirectly, or which are under common control with the Bank and its subsidiaries.

They also include associated companies and persons or entities which directly or indirectly own a voting interest in the Bank and its subsidiaries that give them significant influence over the Bank and its subsidiaries, key management personnel, and directors or officers with authority in the planning and direction of the Bank's and its subsidiaries' operations.

4.17 Foreign currency translation

Presentation currency

The consolidated and the separate financial statements are presented in Baht.

Foreign currency translation

Items denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the transaction dates. Balances of monetary assets and liabilities dominated in foreign currencies as at the end of reporting date are translated by using the reference exchange rates of the BOT as at the end of reporting date. Balances of non-monetary assets and liabilities are translated by using the exchange rates prevailing at the transaction dates or exchange rates at the date when the fair value was measured.

Gains or losses on foreign currency translation are presented in profit or loss in the statements of 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.

4.18 Structured notes

Structured notes are hybrid instruments, which consist of borrowing (Host Contract) transaction and an embedded derivative. The Bank recognised host contract as “Debt issued and borrowings” in the statement of financial position and measured at amortised cost. Embedded derivatives recognised as “Derivatives” in the statement of financial position and will be separated from the host contract and accounted for as derivatives if all of the following criteria are met:

1. The economic characteristics and risks are not closely related to the host;
2. A separated embedded derivative from the host would meet the definition of derivative; and
3. The hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are subsequently measured at fair value. The changes in fair value are recognised as gains (losses) on financial instruments measured at fair value through profit or loss.

In the case that a derivative embedded within a structured notes containing a financial liabilities host is not accounted for separately both at the transaction date or at the end of reporting date, the entire structured notes are measured at fair value through profit or loss.

4.19 Employees Benefits

Short-term employee benefits

The Bank and its subsidiaries recognise short-term employee benefits such as salary, wages, bonuses and contributions to the social security fund as expenses when received the services.

Post-employment benefits

Employees provident fund

The Bank establishes a provident fund under the Provident Fund Act B.E. 2530 and entered to the registered fund approved by the Ministry of Finance in 25 June 1992. The Provident Fund is managed by an external fund manager.

Permanent employees and employees under employment contracts of the Bank are entitled to apply for membership according to the registered KTB Provident Fund regulations. Employees could opt to contribute to the Fund at the rate of either 3, 6, 10, 12 or 15 percent of their basic salaries while the Bank's supplemental contribution is at 10 percent of each employees' basic salary.

Post-employment benefits under defined benefit plans

The Bank and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law and other long-term employee benefit plans. The Bank and its subsidiaries treat these severance payment obligations as defined benefit plans.

The obligation under the defined benefit plan and other long-term employee benefit plans are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses for defined benefit plan are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the entity recognises restructuring-related costs.

4.20 Provisions

Provisions are recognised when the Bank and its subsidiaries have present legal or constructive obligations as a result of a past event, they are probable that an outflow of economic benefits will be required to settle the obligation, and the reliable estimate of the amounts can be made.

The Bank complies with the BOT's Notification No. SOR NOR SOR. 23/2561 dated 31 October 2018, regarding Regulations on Assets Classification and Provision of Financial Institutions prescribed regulations to set aside provisions for commitment which is off-balance item.

4.21 Income tax

Income tax expense represents the sum of current income tax and deferred tax.

Current income tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Bank and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Bank and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Bank and its subsidiaries record deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

Deferred income tax assets and deferred income tax liabilities must offset the transaction when the Bank has legal rights to offset current tax assets against current tax liabilities and this income tax is assessed by the same tax authority for the same tax unit.

4.22 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period 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 period.

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 focuses on providing loans to borrowers who value business operations with social responsibility, environment and good governance, including various risk management to lead to sustainable development.

The Bank manages credit risk management of the companies in financial business group under the supervision of BOT's regulations. The credit risk management policies and guidelines of those companies are also reviewed/improved on a yearly basis and/or when significantly changed event occurs and affects credit risk management.

The Bank monitors and reports risk management results of the Bank and its financial business group with the intention to control credit risk to be in compliance with the Bank's risk management plan, the BOT's supervision policy in credit risk and other regulators' rules. The risk management results reports are normally submitted to the Risk Oversight Committee on a monthly basis and reports to the Audit Committee and the Board of Directors on a quarterly basis.

To follow up and manage the quality of credit, the Bank closely monitors the customers whose credits are approved in order to ensure that they are in comply with the terms and conditions of loan agreements by carrying out NPLs reduction project. The watch list debtors with weak performance will be monitored and controlled to prevent such loans becomes NPLs. However, in case those debtors become NPLs, the measure for debt restructuring shall be set up together with legal process. With this regard, the NPLs reduction project shall help stipulating the implementation plan to become clearer and more effective for the NPLs problem solving. Thus, the regular progress shall be reported regularly in order to expedite debt repayment with minimum loss.

In assessing the adequacy of provision as prescribed by the BOT, the Bank is required to examine the accuracy and completeness of loan classification, debt-restructuring and collateral data such as type and value of collateral. Such associated data potentially has significant impacts on the allowance for expected credit losses of the Bank.

According to assets written-off, the Bank has policy to write-off any assets with 100 percent allowance for expected credit losses; however, the Bank still closely follow up uncollectible amounts or taken legal proceedings to the final action.

The credit review is established to ensure the compliance with standard operation procedures in relation to credit approval and debt restructuring. In addition, the qualitative assessment for loan and other related assets are conducted for 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 2022 and 2021, the maximum exposure to credit risk are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Interbank and money market items (assets)	553,848	471,500	552,862	471,116
Investments in debt securities measured at amortised cost	988	1,645	287	641
Investments in debt securities measured at fair value through other comprehensive income	258,350	322,190	259,553	323,276
Loans to customers and accrued interest receivables	2,618,210	2,649,542	2,527,111	2,565,113
Accrued interest receivables of non-loans to customers	891	756	891	756
Total financial assets	3,432,287	3,445,633	3,340,704	3,360,902
Loan commitments	1,227,622	1,289,413	1,227,622	1,289,413
Financial guarantee contracts	78,282	97,612	78,282	97,612
Total	1,305,904	1,387,025	1,305,904	1,387,025
Total maximum exposure to credit risk	4,738,191	4,832,658	4,646,608	4,747,927

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 2022				
Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	Total
Interbank and money market items (assets)				
Investment grade	40,914	232	-	41,146
Non-investment grade	-	2,222	-	2,222
Not yet due	510,476	-	-	510,476
Overdue 31 - 60 days	-	4	-	4
Total	551,390	2,458	-	553,848
<u>Less</u> Allowance for expected credit losses	(2,853)	(54)	-	(2,907)
Net book value	548,537	2,404	-	550,941
Investments in debt securities measured at amortised cost				
Investment grade	856	-	-	856
Non-investment grade	-	96	36	132
Total	856	96	36	988
<u>Less</u> Allowance for expected credit losses	-	(2)	(36)	(38)
Net book value	856	94	-	950

(Unit: Million Baht)

Consolidated financial statements					
31 December 2022					
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	Total
Investments in debt securities measured at fair value through other comprehensive income					
Investment grade	258,350	-	-	-	258,350
Total	258,350	-	-	-	258,350
Allowance for expected credit losses	(19)	-	(926)	-	(945)
Loans to customers and accrued interest receivables - net					
Not yet due	1,841,461	177,032	13,952	1,598	2,034,043
Overdue 1 - 30 days	446,957	25,715	3,325	412	476,409
Overdue 31 - 60 days	-	9,548	2,411	171	12,130
Overdue 61 - 90 days	-	3,877	1,816	49	5,742
More than 90 days	1,089	1,350	87,228	219	89,886
Total	2,289,507	217,522	108,732	2,449	2,618,210
<u>Less</u> Allowance for expected credit losses	(44,720)	(52,526)	(76,508)	(624)	(174,378)
Net book value	2,244,787	164,996	32,224	1,825	2,443,832
Loan commitments					
Loan commitments	1,102,812	116,071	8,739	-	1,227,622
<u>Less</u> Allowance for expected credit losses	(1,375)	(1,962)	(698)	-	(4,035)
Net book value	1,101,437	114,109	8,041	-	1,223,587
Financial guarantee contracts					
Financial guarantee contracts	74,839	3,135	308	-	78,282
<u>Less</u> Allowance for expected credit losses	(143)	(127)	(47)	-	(317)
Net book value	74,696	3,008	261	-	77,965

(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
Interbank and money market items (assets)					
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
Investments in debt securities measured at amortised cost					
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
Investments in debt securities measured at fair value through other comprehensive income					
Investment grade	322,190	-	-	-	322,190
Total	322,190	-	-	-	322,190
Allowance for expected credit losses	(34)	-	(926)	-	(960)
Loans to customers and accrued interest receivables - net					
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

(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
Loan commitments				
Loan commitments	1,168,564	114,630	6,219	-
<u>Less</u> Allowance for expected credit losses	(1,792)	(1,897)	(503)	-
Net book value	1,166,772	112,733	5,716	-
Financial guarantee contracts				
Financial guarantee contracts	91,564	5,897	151	-
<u>Less</u> Allowance for expected credit losses	(153)	(347)	(13)	-
Net book value	91,411	5,550	138	-

(Unit: Million Baht)

Separate financial statements				
31 December 2022				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items (assets)				
Investment grade	39,928	232	-	40,160
Non-investment grade	-	2,222	-	2,222
Not yet due	510,476	-	-	510,476
Overdue 31 - 60 days	-	4	-	4
Total	550,404	2,458	-	552,862
<u>Less</u> Allowance for expected credit losses	(2,853)	(54)	-	-
Net book value	547,551	2,404	-	549,955

(Unit: Million Baht)

Separate financial statements			
31 December 2022			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)
			Total
Investments in debt securities measured at amortised cost			
Investment grade	155	-	155
Non-investment grade	-	96	132
Total	155	96	287
<u>Less</u> Allowance for expected credit losses	-	(2)	(36)
Net book value	155	94	249
Investments in debt securities measured at fair value through other comprehensive income			
Investment grade	259,553	-	259,553
Total	259,553	-	259,553
Allowance for expected credit losses	(19)	-	(926)
Loans to customers and accrued interest receivables - net			
Not yet due	1,768,339	169,059	13,952
Overdue 1 - 30 days	445,975	24,331	3,326
Overdue 31 - 60 days	-	8,745	2,411
Overdue 61 - 90 days	-	3,593	1,816
More than 90 days	-	-	85,564
Total	2,214,314	205,728	107,069
<u>Less</u> Allowance for expected credit losses	(40,720)	(49,744)	(75,370)
Net book value	2,173,594	155,984	31,699
Loan commitments			
Loan commitments	1,102,812	116,071	8,739
<u>Less</u> Allowance for expected credit losses	(1,375)	(1,962)	(698)
Net book value	1,101,437	114,109	8,041
Financial guarantee contracts			
Financial guarantee contracts	74,839	3,135	308
<u>Less</u> Allowance for expected credit losses	(143)	(127)	(47)
Net book value	74,696	3,008	261

(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
Interbank and money market items (assets)			
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	-
Investments in debt securities measured at amortised cost			
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	-
Investments in debt securities measured at fair value through other comprehensive income			
Investment grade	323,276	-	-
Total	323,276	-	-
Allowance for expected credit losses	(34)	-	(926)
Loans to customers and accrued interest receivables - net			
Not yet due	1,853,438	182,124	12,589
Overdue 1 - 30 days	383,834	24,880	2,433
Overdue 31 - 60 days	-	8,449	941
Overdue 61 - 90 days	-	2,568	828
More than 90 days	-	-	93,029
Total	2,237,272	218,021	109,820
<u>Less</u> Allowance for expected credit losses	(40,824)	(46,558)	(76,268)
Net book value	2,196,448	171,463	33,552

(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
Loan commitments				
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
Financial guarantee contracts				
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

Collateral and any operations to increase creditability

The Bank held collateral and any operations to increase creditability of exposure to credit risk. The details of the collateral held by the Bank for each type of financial assets are as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements		
	Exposure to credit risk with collateral		Type of major collateral
	31 December 2022	31 December 2021	
Interbank and money market items (assets)	467,192	383,413	Bonds
Loans to customers and accrued interest receivables	1,712,095	1,671,685	Land and buildings

Market risk

Market risk is the risk that the Bank may be affected by changes in value of position on the statements of financial position which is caused by fluctuation of interest rate, foreign exchange rate, equity securities price and commodity price resulting in negative impact on income and capital. The Bank monitors and controls the market risk in the trading book and banking book portfolios by comparing the existing risks with the approved risk limits/indicators, setting proper guideline when there is the breach of the limits/indicators and reporting to the executives and the Risk Oversight Committee regularly.

Interest rate risk

Interest rate risk is the risk that income or capital fund is adversely affected by changes in interest rates which affect the assets, liabilities and financial position that are rate sensitive items which may affect net interest income, economic value, market value of trading accounts and other income and expenses that relate to the interest rate.

The Bank had monitored and controlled interest rate risk within acceptable risk appetite by formulating risk limit, performing stress testing on monthly basis, requiring presenting risk management report to the executives and to the Risk Oversight Committee on monthly basis, as well as formulating guidelines to ensure readiness in dealing with the breach of prescribed limits as per approval.

As at 31 December 2022 and 2021, 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 2022							
	At call to 1 month	1 - 3 months	3 - 12 months	Over 1 year	Non- interest bearing	Non- performing transaction	Total
Financial assets							
Cash	-	-	-	-	61,591	-	61,591
Interbank and money market items	499,272	9,268	5,897	1	39,222	-	553,660
Investments	4,874	60,203	36,331	157,894	17,755	36	277,093
Loans to customers	1,726,396	323,763	339,478	76,860	25,495	100,846	2,592,838
Total financial assets	2,230,542	393,234	381,706	234,755	144,063	100,882	3,485,182
Financial liabilities							
Deposits	2,096,950	110,660	201,968	49,433	131,225	-	2,590,236
Interbank and money market items	204,897	11,021	14,720	39,986	6,475	-	277,099
Liabilities payable on demand	-	-	-	-	5,019	-	5,019
Debt issued and borrowings	-	18,136	7,740	119,208	6,088	-	151,172
Total financial liabilities	2,301,847	139,817	224,428	208,627	148,807	-	3,023,526

(Unit: Million Baht)

Consolidated financial statements							
31 December 2021							
	At call to 1 month	1 - 3 months	3 - 12 months	Over 1 year	Non- interest bearing	Non- performing transaction	Total
Financial assets							
Cash	-	-	-	-	63,544	-	63,544
Interbank and money market items	392,239	20,056	14,424	131	44,568	-	471,418
Investments	20,433	101,848	72,529	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	2,031,744	516,848	484,309	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)

Separate financial statements							
31 December 2022							
	At call to 1 month	1 - 3 months	3 - 12 months	Over 1 year	Non- interest bearing	Non- performing transaction	Total
Financial assets							
Cash	-	-	-	-	61,565	-	61,565
Interbank and money market items	498,664	9,268	5,897	1	38,844	-	552,674
Investments	4,675	59,815	36,331	158,983	17,752	36	277,592
Loans to customers	1,732,600	248,776	337,083	79,050	5,693	99,219	2,502,421
Total financial assets	2,235,939	317,859	379,311	238,034	123,854	99,255	3,394,252
Financial liabilities							
Deposits	2,100,461	110,660	202,507	49,469	131,628	-	2,594,725
Interbank and money market items	200,589	10,721	14,720	39,986	6,477	-	272,493
Liabilities payable on demand	-	-	-	-	5,019	-	5,019
Debt issued and borrowings	-	16,048	5,300	79,466	6,088	-	106,902
Total financial liabilities	2,301,050	137,429	222,527	168,921	149,212	-	2,979,139

(Unit: Million Baht)

Separate financial statements							
31 December 2021							
	At call to 1 month	1 - 3 months	3 - 12 months	Over 1 year	Non- interest bearing	Non- performing transaction	Total
Financial assets							
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	73,258	129,177	18,251	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	<u>2,037,570</u>	<u>450,549</u>	<u>483,255</u>	<u>215,511</u>	<u>131,492</u>	<u>103,461</u>	<u>3,421,838</u>
Financial liabilities							
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	<u>2,335,288</u>	<u>152,963</u>	<u>219,572</u>	<u>162,135</u>	<u>137,108</u>	<u>-</u>	<u>3,007,066</u>

- 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 period, the Bank evaluates sensitivity analysis from net interest income change for the next 12 months under the assumption of changing interest rates of 1.00 percent for all types of financial assets and financial liabilities per each period of interest rate adjustment.

The impact of interest rates changes on profit or loss and equity as at 31 December 2022 and 2021 can be summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2022		31 December 2021	
	Effect on		Effect on	
	Profit or loss	Equity	Profit or loss	Equity
Interest rate increase 1%	1,371	1,371	173	173
Interest rate decrease 1%	(15,005)	(15,005)	(11,628)	(11,628)

(Unit: Million Baht)

	Separate financial statements			
	31 December 2022		31 December 2021	
	Effect on		Effect on	
	Profit or loss	Equity	Profit or loss	Equity
Interest rate increase 1%	1,678	1,678	(282)	(282)
Interest rate decrease 1%	(15,312)	(15,312)	(11,173)	(11,173)

- Foreign exchange rate risk

Foreign exchange rate risk is the risk that foreign exchange rate volatility gives the adverse impact on income or capital fund due to conducting transactions in foreign currency or having assets or liabilities in foreign currency, when converting foreign currency items on the Bank's financial statements to Baht currency, resulting in a decrease in book values including a decline in income or losses incurred from foreign currency trading.

The Bank had monitored and controlled foreign exchange rate risk within acceptable risk appetite by formulating risk limit, performing stress testing on monthly basis, requiring presenting risk management report to the executive on daily basis and to the Risk Oversight Committee on monthly basis, as well as formulating guidelines to ensure readiness in dealing with the breach of prescribed limits as per approval.

Financial position of the Bank and its subsidiaries' foreign currency balances as at 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	31 December 2022			
	US Dollar	Euro	Yen	Others
<u>Foreign currency in the statement of financial position</u>				
Cash	3,898	1,180	318	761
Interbank and money market items	22,590	428	2,496	3,955
Financial assets measured at fair value through profit or loss	-	-	23,488	-
Derivatives assets	850,758	58,019	69,501	9,750
Investments	20,963	11,164	30,876	8,534
Loans to customers	64,850	203	189	688
Total assets	963,059	70,994	126,868	23,688
Deposits	36,019	1,146	381	1,118
Interbank and money market items	24,518	134	-	577
Derivatives liabilities	853,695	69,319	129,539	18,110
Debt issued and borrowings	42,727	-	5	-
Total liabilities	956,959	70,599	129,925	19,805
Net	6,100	395	(3,057)	3,883
<u>Foreign currency of commitments</u>				
Loan commitments	16,649	-	-	21
Liabilities under unmatured import bills	1,693	175	5	55
Letter of credit	18,369	1,618	1,074	1,314
Other commitments	14,504	1,679	11	201

(Unit: Million Baht)

	Consolidated and separate financial statements			
	31 December 2021			
	US Dollar	Euro	Yen	Others
<u>Foreign currency in the statement of financial position</u>				
Cash	1,301	391	132	561
Interbank and money market items	19,500	633	502	3,224
Derivatives 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
Total assets	1,017,537	139,185	73,230	31,258
Deposits	26,073	1,631	66	1,236
Interbank and money market items	32,365	488	-	1
Derivatives liabilities	927,650	137,491	72,512	26,799
Debt issued and borrowings	44,705	-	-	-
Total liabilities	1,030,793	139,610	72,578	28,036
Net	(13,256)	(425)	652	3,222
<u>Foreign currency of commitments</u>				
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

- **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 2022 and 2021 can be summarised as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	31 December 2022		31 December 2021	
	Effect of		Effect of	
	Profit or loss	Equity	Profit or loss	Equity
10% increase	1,407	732	(639)	(981)
10% decrease	(1,407)	(732)	639	981

- Equity price risk

It is a risk that income or capital funds is adversely affected by changes in equity prices/stock market indexes, resulting in a decrease in the value of the bank's trading investment portfolio.

The Bank had monitored and controlled equity price risk within acceptable risk appetite by formulating risk limit, performing stress testing on monthly basis, requiring presenting risk management report to the executive on daily basis and to the Risk Oversight Committee on monthly basis, as well as formulating guidelines to ensure readiness in dealing with the breach of prescribed limits as per approval.

- Commodity price risk

This is the risk that income or capital fund is adversely affected by changes in commodity price. The Bank has no policy of holding position in those items; hence, the Bank manage such risk exposures by doing back-to-back transactions.

- Interest rate benchmark reform

In order to smoothly transition from existing reference rates to new interest benchmark rates, the Bank has established Sub-Working Group for responding to interest rate benchmark reform and for managing, supervising and monitoring interest rate transition processes within the Bank. The main risks to which the Bank are exposed as a result of interest rate benchmark reform are operational risks such as communication with customers and counterparties, amendments of contracts, improvements of operating systems and related working processes and financial risk managements, which do not have significant impact to the Bank.

As of 31 December 2022, the Bank and its subsidiaries have financial instruments which are subject to interest rate benchmark reform. The majority of these financial instruments have reference rates of USD LIBOR and Thai Baht Interest Rate Fixing (THBFIX) which will continue to be published until June 2023.

Liquidity risk

Liquidity risk is the risk that the Bank fails to repay liabilities or contingencies on due date because of inability to liquidate assets into cash or inability to finance sufficient funds or acquiring funds at a higher than acceptable level cost thus affecting income and capital fund at present and in the future.

Structure of sources and uses of funds

The Bank's primary sources of funds are from deposits, mostly short-term deposit less than 1 year and deposits that can be withdrawn without restricted timing, i.e. saving accounts and 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 sets the indicator to control liquidity risk such as Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) etc. In addition, the Bank also monitors the sources and uses of funds and funding source concentration, especially on important sources of funds; then regularly report such risk to the Asset and Liability Management Committee (ALCO), the Risk Oversight Committee (ROC) and other related parties.

Liquidity risk management tools

Liquidity risk management tools are presented in several reports related to the Bank's liquidity and reported to top-level executives and relevant departments in order to efficiently manage liquidity risk. The Bank prepares liquidity risk report to evaluate liquidity risk on a daily and monthly basis by comparing with the approved risk limit/indicators in order to manage and control the risk level within the limit. Such reports are as follows:

- Net liquidity position report of the 14 days duration presents daily details by showing estimated cash inflow and outflow information adjusted according to customer behavior, which is based on historical cash flow pattern together with forecasted future trend under realistic and conservative principles. This report is done on a daily basis.
- Liquidity gap report presents estimates of future cash flows determined in accordance with the customer behavior in the past under normal situation.
- Daily financial position report presents the Bank's liquid assets in terms of daily average deposits with the BOT. The BOT's regulation requires the Bank to maintain the amount of the biweekly-average daily deposit balance at BOT and the biweekly-average daily cash balance at the cash inventory management center altogether of not less than 1 percent of total customers' deposit and other specified borrowings. Moreover, the report demonstrates each type of high-quality liquid assets to support the liquidity need for the Bank's normal operations. This report is done on a daily basis.

- Liquidity Coverage Ratio (LCR) report is reported to the Risk Oversight Committee and the Assets and Liabilities Management Committee on a monthly basis in accordance with BOT's regulations. LCR aims to ensure that a bank has the sufficient liquidity to withstand the serve short term liquidity situation. The Bank must have the unencumbered high-quality liquid assets (HQLA) which consists of cash or assets that can be converted into cash at little or significant devaluation to meet its liquidity needs for a 30-calendar day under severe liquidity stress scenario.
- Net Stable Funding Ratio (NSFR) report is reported to BOT on a quarterly basis and the Risk Oversight Committee and the Assets and Liabilities Management Committee on a monthly basis. NSFR is the liquidity risk measurement standard that aims to have stable funding source in line with the noncallable asset or the non-marketable with significant devaluation.
- Simulation liquidity risk stress testing report will be submitted to the Risk Oversight Committee on a quarterly basis.

Liquidity risk stress testing

The Bank sets quarterly liquidity risk stress testing in conformity with the Bank's stress testing policy by using the 3 situations which are (1) Institution-specific crisis (2) Market-wide crisis and (3) Combination of both. Each situation is based on assumptions such as withdrawing customers' deposit type different proportion, declining in the market liquidity of assets, decreasing in ability to reach large-sized sources of funds. The Bank also prepares contingency plan to support crisis by considering to stress test result of each model situation. The contingency plan is set warning triggers of liquidity crisis in order that the Bank can reduce negative impact from liquidity problems that may occur with reasonable expenses/costs.

The Bank also discloses information about Liquidity Coverage Ratio (LCR) in order to ensure that the Bank has sufficient manage liquidity to support liquidity stress situation under the BOT's notifications regarding the Disclosure of Liquidity Coverage Ratio Disclosure Standards.

Channel of disclosure www.krungthai.com > Investor Relations > Financial Information > LCR Disclosures

Date of disclosure Within 4 months after the end of reporting period.

Information as at 31 December 2022

Liquidity ratio

The BOT specifies that the Bank has to maintain the average fortnightly liquid assets not less than 1 percent of deposits and borrowings as prescribed by the BOT's regulation. As at 31 December 2022 and 2021, the Bank has deposits at the BOT and cash at the cash center of Baht 13,924 million and Baht 24,701 million, respectively.

	31 December 2022	31 December 2021
	(%)	(%)
Sources of Funds		
Deposits	72.10	73.52
Interbank and money market items (liabilities)	7.71	8.33
Debt issued and borrowings	4.21	3.76
Equity	10.93	10.52
Uses of Funds		
Loans to customers (net deferred revenue)	72.18	73.91
Interbank and money market items - net (assets)	15.41	13.25
Investments - net and investments in subsidiaries and associated companies - net	8.06	10.23

Loans to deposits ratio

	31 December 2022	31 December 2021
	(%)	(%)
Loans to deposits ratio (Consolidated financial statements)	100.10	100.54
Loans to deposits ratio (Separate financial statements)	96.44	97.18

On the consolidated financial statements as at 31 December 2022, the Bank has loans to deposits ratio of 100.10 percent which has increased from 100.54 percent as at 31 December 2021.

Loans to deposits ratio on the separate financial statements as at 31 December 2022 is 96.44 percent which has decreased from 97.18 percent as at 31 December 2021. As a result, loans decreased 1.68 percent and deposits decreased 0.93 percent from the end of the year 2021.

These above ratios have no significant impact to the liquidities of the Bank and its subsidiaries.

As at 31 December 2022 and 2021, the Bank's significant financial assets and liabilities are classified by remaining maturity as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2022					
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets						
Cash	-	-	-	-	61,591	61,591
Interbank and money market items	40,539	512,774	347	-	-	553,660
Financial assets measured at fair value through profit or loss	-	23,836	4,260	4,744	728	33,568
Derivatives assets	-	27,922	37,806	17,442	-	83,170
Investments	36	81,877	139,380	38,045	17,755	277,093
Loans to customers	192,081	537,481	655,461	1,207,815	-	2,592,838
Total financial assets	232,656	1,183,890	837,254	1,268,046	80,074	3,601,920
Financial liabilities						
Deposits	2,154,767	384,370	41,048	10,051	-	2,590,236
Interbank and money market items	52,072	185,042	37,271	2,714	-	277,099
Financial liabilities measured at fair value through profit or loss	-	2,319	-	-	-	2,319
Derivatives liabilities	-	27,943	35,771	14,793	-	78,507
Liabilities payable on demand	5,019	-	-	-	-	5,019
Debt issued and borrowings	-	13,149	68,137	51,259	18,627	151,172
Total financial liabilities	2,211,858	612,823	182,227	78,817	18,627	3,104,352

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2021					
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets						
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
Derivatives 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
Total financial assets	248,932	1,222,547	820,000	1,202,221	83,012	3,576,712
Financial liabilities						
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
Derivatives liabilities	-	20,956	20,332	9,262	-	50,550
Liabilities payable on demand	4,210	-	-	-	-	4,210
Debt issued and borrowings	-	12,321	39,139	62,659	19,698	133,817
Total financial liabilities	2,274,792	597,511	120,971	86,696	19,698	3,099,668

(Unit: Million Baht)

Separate financial statements						
31 December 2022						
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets						
Cash	-	-	-	-	61,565	61,565
Interbank and money market items	39,553	512,774	347	-	-	552,674
Financial assets measured at fair value through profit or loss	-	23,836	4,260	4,744	728	33,568
Derivatives assets	-	27,922	37,806	17,442	-	83,170
Investments	36	81,289	140,394	38,121	17,752	277,592
Loans to customers	198,072	469,094	627,562	1,207,693	-	2,502,421
Total financial assets	237,661	1,114,915	810,369	1,268,000	80,045	3,510,990
Financial liabilities						
Deposits	2,158,681	384,910	41,083	10,051	-	2,594,725
Interbank and money market items	51,415	181,093	37,271	2,714	-	272,493
Financial liabilities measured at fair value through profit or loss	-	2,319	-	-	-	2,319
Derivatives liabilities	-	27,943	35,771	14,793	-	78,507
Liabilities payable on demand	5,019	-	-	-	-	5,019
Debt issued and borrowings	-	8,621	36,335	43,319	18,627	106,902
Total financial liabilities	2,215,115	604,886	150,460	70,877	18,627	3,059,965

(Unit: Million Baht)

Separate financial statements						
31 December 2021						
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets						
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
Derivatives assets	-	20,594	20,270	11,796	-	52,660
Investments	36	160,602	136,361	26,918	18,251	342,168
Loans to customers	206,623	563,147	619,980	1,155,371	-	2,545,121
Total financial assets	252,151	1,163,976	791,456	1,202,241	82,981	3,492,805
Financial liabilities						
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
Derivatives liabilities	-	20,956	20,332	9,262	-	50,550
Liabilities payable on demand	4,210	-	-	-	-	4,210
Debt issued and borrowings	-	3,982	18,493	49,219	19,698	91,392
Total financial liabilities	2,275,601	588,701	100,360	73,256	19,698	3,057,616

7. Capital funds

The capital fund and capital adequacy ratio information as at 31 December 2022, 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 2021, already submitted to the BOT, is as follows:

(Unit: Million Baht)

	Financial business group	
	31 December 2022	31 December 2021
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	239,360	219,611
Other components of equity	17,317	29,670
Capital deduction items on common equity Tier 1	(21,116)	(21,141)
Total common equity Tier1	335,601	328,180
Tier 1 capital funds - financial instruments	20,269	20,072
Total Tier 1 capital funds	355,870	348,252
Tier 2 capital funds		
Long-term subordinated debt	42,080	44,000
Allowance for assets classified as normal	24,144	23,296
Total Tier 2 capital funds	66,224	67,296
Total capital funds	422,094	415,548

(Unit: Million Baht)

	Separate financial statements	
	31 December 2022	31 December 2021
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	217,553	199,942
Other components of equity	21,268	23,461
Capital deduction items on common equity Tier 1	(18,965)	(14,405)
Total common equity Tier1	319,896	309,038
Tier 1 capital funds - financial instruments	18,647	18,647
Total tier 1 capital funds	338,543	327,685
Tier 2 capital funds		
Long-term subordinated debt	42,080	44,000
Allowance for assets classified as normal	23,237	22,310
Total Tier 2 capital funds	65,317	66,310
Total capital funds	403,860	393,995

	Capital adequacy ratio ⁽¹⁾				
	Minimum rate of BOT's requirement	Financial business group		Separate financial statements	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		(%)	(%)	(%)	(%)
Common equity Tier 1 ratio	8.00	15.74	15.89	15.59	15.60
Tier 1 capital fund ratio	9.50	16.69	16.86	16.50	16.54
Capital adequacy ratio	12.00	19.80	20.12	19.68	19.88

⁽¹⁾ Capital and capital adequacy ratio are calculated by adjusting deferred tax assets less allowance for impairment of deferred tax assets.

The Bank discloses information about the capital fund requirements of the Bank and the financial business group in accordance with the BOT's Notification regarding the Disclosure of Capital Requirements of Commercial Banks and Notification regarding the Disclosure of Capital Requirement of Financial Business Groups.

Channel of disclosure	www.krungthai.com > Investor Relations > Financial Information > Pillar III disclosures
Date of disclosure	Within 4 months after the end of reporting period.
Information as at	31 December 2022

8. Supplementary information

8.1 Supplementary information of cash flows

8.1.1 Cash

Cash as at 31 December 2022 and 2021 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Cash	50,202	56,618	50,176	56,589
Cash received in advance from electronic money transactions and electronic money transfer services	11,389	6,926	11,389	6,926
Total	61,591	63,544	61,565	63,515

8.1.2 Significant non-cash items for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Increase in revaluation surplus on investments measured at fair value through other comprehensive income net of income tax expenses	2,535	692	2,528	691
Increase in right-of-use assets	1,655	2,302	1,365	2,033
Increase in properties for sale from loans repayment	2,114	4,493	1,885	4,388
Increase in properties for sale from asset warehousing	3,810	7,892	3,810	7,892
Increase in surplus on revaluation of assets	-	7,295	-	7,295

8.1.3 Disclosures of related changes in liabilities from financing activities

(Unit: Million Baht)

Item	Consolidated financial statements			
	1 January 2022	Cash flows from financing activities	Non-cash items	31 December 2022
Debt issued and borrowings	133,817	18,284	(929)	151,172
Total	133,817	18,284	(929)	151,172

(Unit: Million Baht)

Item	Consolidated financial statements			
	1 January 2021	Cash flows from financing activities	Non-cash items	31 December 2021
Debt issued and borrowings	86,564	44,272	2,981	133,817
Total	86,564	44,272	2,981	133,817

(Unit: Million Baht)

Item	Separate financial statements			
	1 January 2022	Cash flows from financing activities	Non-cash items	31 December 2022
Debt issued and borrowings	91,392	16,500	(990)	106,902
Total	91,392	16,500	(990)	106,902

(Unit: Million Baht)

Item	Separate financial statements			
	1 January 2021	Cash flows from financing activities	Non-cash items	31 December 2021
Debt issued and borrowings	44,293	44,161	2,938	91,392
Total	44,293	44,161	2,938	91,392

8.2 Classification of financial assets and financial liabilities

(Unit: Million Baht)

Consolidated financial statements					
31 December 2022					
	Financial instruments measured at fair value through profit and loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
Financial assets					
Cash	-	-	-	61,591	61,591
Interbank and money market items - net	-	-	-	550,941	550,941
Financial assets measured at fair value through profit and loss	33,568	-	-	-	33,568
Derivatives assets	83,170	-	-	-	83,170
Investments - net	-	258,350	17,755	950	277,055
Loans to customers and accrued interest receivables - net	-	-	-	2,443,832	2,443,832
Total financial assets	116,738	258,350	17,755	3,057,314	3,450,157
Financial liabilities					
Deposits	-	-	-	2,590,236	2,590,236
Interbank and money market items	-	-	-	277,099	277,099
Liabilities payable on demand	-	-	-	5,019	5,019
Financial liabilities measured at fair value through profit and loss	2,319	-	-	-	2,319
Derivatives liabilities	78,507	-	-	-	78,507
Debt issued and borrowings	-	-	-	151,172	151,172
Lease liabilities	-	-	-	3,688	3,688
Provisions	-	-	-	17,444	17,444
Total financial liabilities	80,826	-	-	3,044,658	3,125,484

(Unit: Million Baht)

(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
Financial assets					
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
Total financial assets	70,699	322,190	18,253	3,010,579	3,421,721
Financial liabilities					
Deposits	-	-	-	2,614,747	2,614,747
Interbank and money market item	-	-	-	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
Total financial liabilities	50,550	-	-	3,073,759	3,124,309

(Unit: Million Baht)

(Unit: Million Baht)

8.3 Interbank and money market items (assets)

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2022			31 December 2021		
	At call	Term	Total	At call	Term	Total
Domestic						
Bank of Thailand and Financial Institutions Development Fund	13,961	416,760	430,721	24,312	358,025	382,337
Commercial banks	975	45,706	46,681	372	32,895	33,267
Specialised financial institutions	11	4,035	4,046	12	11,101	11,113
Other financial institutions	13	42,943	42,956	18	20,893	20,911
Total	14,960	509,444	524,404	24,714	422,914	447,628
Add: Accrued interest receivables	-	162	162	-	69	69
Less: Deferred revenue	-	(21)	(21)	-	(16)	(16)
Less: Allowance for expected credit losses	(1)	(2,836)	(2,837)	(1)	(2,173)	(2,174)
Total domestic items	14,959	506,749	521,708	24,713	420,794	445,507
Foreign						
US Dollar	20,516	2,074	22,590	17,594	1,906	19,500
Yen	2,496	-	2,496	502	-	502
Euro	428	-	428	633	-	633
Others	2,139	1,624	3,763	2,178	993	3,171
Total	25,579	3,698	29,277	20,907	2,899	23,806
Add: Accrued interest receivables	-	26	26	-	13	13
Less: Allowance for expected credit losses	(26)	(44)	(70)	(63)	(47)	(110)
Total foreign items	25,553	3,680	29,233	20,844	2,865	23,709
Total	40,512	510,429	550,941	45,557	423,659	469,216

(Unit: Million Baht)

	Separate financial statements					
	31 December 2022			31 December 2021		
	At call	Term	Total	At call	Term	Total
Domestic						
Bank of Thailand and Financial Institutions Development Fund	13,961	416,760	430,721	24,312	358,025	382,337
Commercial banks	-	45,706	45,706	-	32,895	32,895
Specialised financial institutions	-	4,035	4,035	-	11,101	11,101
Other financial institutions	13	42,943	42,956	18	20,893	20,911
Total	13,974	509,444	523,418	24,330	422,914	447,244
Add: Accrued interest receivables	-	162	162	-	69	69
Less: Deferred revenue	-	(21)	(21)	-	(16)	(16)
Less: Allowance for expected credit losses	(1)	(2,836)	(2,837)	(1)	(2,173)	(2,174)
Total domestic items	13,973	506,749	520,722	24,329	420,794	445,123
Foreign						
US Dollar	20,516	2,074	22,590	17,594	1,906	19,500
Yen	2,496	-	2,496	502	-	502
Euro	428	-	428	633	-	633
Others	2,139	1,624	3,763	2,178	993	3,171
Total	25,579	3,698	29,277	20,907	2,899	23,806
Add: Accrued interest receivables	-	26	26	-	13	13
Less: Allowance for expected credit losses	(26)	(44)	(70)	(63)	(47)	(110)
Total foreign items	25,553	3,680	29,233	20,844	2,865	23,709
Total	39,526	510,429	549,955	45,173	423,659	468,832

As at 31 December 2022 and 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 2022	31 December 2021	31 December 2022	31 December 2021
Investments				
Financial assets held for trading				
Government and state enterprises securities	6,964	11,057	6,964	11,057
Private enterprises debt securities	1,010	1,930	1,010	2,198
Investments in foreign debt securities	23,488	-	23,488	-
Marketable equity securities	4	-	4	-
Total	31,466	12,987	31,466	13,255
Others				
Private enterprises debt securities	1,378	3,837	1,378	3,837
Unit trust	385	411	385	411
Marketable equity securities	339	804	339	804
Total	2,102	5,052	2,102	5,052
Total financial assets measured at fair value through profit or loss	33,568	18,039	33,568	18,307

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 2022			31 December 2021		
	Fair value		Notional amounts	Fair value		Notional amounts
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	48,762	44,497	1,864,533	30,486	30,000	1,964,974
Interest rate	30,155	29,662	2,129,757	18,587	15,730	1,791,917
Others	419	344	19,216	3,004	2,903	139,305
Total	79,336	74,503	4,013,506	52,077	48,633	3,896,196

8.5.2 Derivative for hedging

As at 31 December 2022 and 2021, 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 2022			
Type of risk	Notional amounts	Fair value	
		Assets	Liabilities
<u>Interest rate risk</u>			
Interest rate swap	100,425	-	-
Total	100,425	-	-

(Unit: Million Baht)			
Consolidated and separate financial statements			
31 December 2021			
Type of risk	Notional amounts	Fair value	
		Assets	Liabilities
<u>Interest rate risk</u>			
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 2022			
Type of risk		Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items	
		Assets	Liabilities	Assets	Liabilities
<u>Interest rate risk</u>					
THB fixed-rate borrowings	A	-	2,970	-	(29)
USD fixed-rate borrowings	A	-	6,049	-	(172)
THB fixed-rate debt issued	B	-	18,615	-	(8)
USD fixed-rate debt issued	B	-	18,755	-	(2,064)
THB fixed-rate loans to customers	D	2,693	-	16	-
Total interest rate risk		2,693	46,389	16	(2,273)
<u>Foreign exchange rate risk</u>					
USD investments in equity securities, designated at fair value through other comprehensive income	C	3,275	-	(246)	-
EUR investments in equity securities, designated at fair value through other comprehensive income	C	8	-	-	-
Total foreign exchange rate risk		3,283	-	(246)	-
Total		5,976	46,389	(230)	(2,273)

(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
<u>Interest rate risk</u>					
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)
<u>Foreign exchange rate risk</u>					
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)

The items in the statement of financial position, where the hedged items and the cumulative fair value changes are recorded, include:

- A. Interbank and money market items (Liabilities)
- B. Debt issued and borrowings
- C. Investments - net
- D. Loans to customers and accrued interest receivables - net

The amounts relating to items designated as hedging instruments under fair value hedges are as follows:

(Unit: Million Baht)

Consolidated and separate financial statements			
31 December 2022			
Type of risk	Notional amounts	Fair value of hedging instruments	
		Assets	Liabilities
<u>Interest rate risk</u>			
Interest rate swap	71,021	190	2,365
Interest rate swap option	34,403	98	210
Total interest rate risk	105,424	288	2,575
<u>Foreign exchange rate risk</u>			
Foreign currency swap contract	3,292	246	-
Total foreign exchange rate risk	3,292	246	-
Total	108,716	534	2,575

(Unit: Million Baht)

Consolidated and separate financial statements			
31 December 2021			
Type of risk	Notional amounts	Fair value of hedging instruments	
		Assets	Liabilities
<u>Interest rate risk</u>			
Interest rate swap	35,147	222	119
Interest rate swap option	390	5	-
Total interest rate risk	35,537	227	119
<u>Foreign exchange rate risk</u>			
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

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 2022		
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	
<u>Interest rate risk</u>				
THB fixed-rate borrowings	Interest rate swap	64	(64)	-
USD fixed-rate borrowings	Interest rate swap	158	(158)	-
THB fixed-rate debt issued	Interest rate swap and interest rate swap option	147	(79)	68
USD fixed-rate debt issued	Interest rate swap	1,779	(1,783)	(4)
THB fixed-rate loans to customers	Interest rate swap and interest rate swap option	43	57	100
Total interest rate risk		2,191	(2,027)	164
<u>Foreign exchange rate risk</u>				
USD investments in equity securities, designated at fair value through other comprehensive income	Foreign currency swap contract	(263)	263	-
Total foreign exchange rate risk		(263)	263	-
Total		1,928	(1,764)	164

(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	
<u>Interest rate risk</u>				
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)
<u>Foreign exchange rate risk</u>				
USD investments in equity securities, designated at fair value through other comprehensive income	Foreign currency forward contract / Foreign currency swap contract	27	(27)	-
Total foreign exchange rate risk		27	(27)	-
Total		519	(525)	(6)

Cash flow hedges

The amounts relating to items designated as hedged items under cash flow hedges are as follows:

(Unit: Million Baht)

(Unit: Million Baht)

Consolidated and separate financial statements			
31 December 2022			
Type of risk	Change in fair value measuring used for ineffectiveness	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
<u>Interest rate and foreign exchange rate risk</u>			
Investment in debt securities, measured at fair value through other comprehensive income			
USD fixed-rate	(258)	178	-
USD floating rate	150	(32)	-
YEN fixed-rate	(2,605)	15	-
EUR fixed-rate	(522)	358	-
EUR floating rate	(15)	(58)	-
MYR fixed-rate	(71)	46	-
Total	(3,321)	507	-

(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
<u>Interest rate and foreign exchange rate risk</u>			
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	-

The corresponding items in the statement of financial position, where the hedged items are recorded is “Investments - net”.

The below table sets out the outcome of the Bank's hedging strategy, set out in Note 4.5 to the consolidated financial statements, in particular, the notional and the carrying amounts of the derivatives the Bank uses as cash flow hedging instruments and the changes in fair value used for measuring ineffectiveness of the cash flow hedges as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements						
	31 December 2022						
		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			
<u>Interest rate risk</u>							
Interest rate swap option - hedge the risk of EUR floating-rate investments in debt securities	1,271	-	-	2	-	2	-
<u>Interest rate and foreign exchange rate risk</u>							
Cross currency swap (THB:USD) - hedge the risk of USD fixed-rate investments in debt securities	7,742	117	333	258	258	-	(106)
Cross currency swap (THB:USD) - hedge the risk of USD floating-rate investments in debt securities	7,949	-	897	(150)	(150)	-	114
Cross currency swap (THB:YEN) - hedge the risk of YEN fixed-rate investments in debt securities	30,788	2,668	16	2,605	2,605	-	(2,709)
Cross currency swap (THB:EUR) - hedge the risk of EUR fixed-rate investments in debt securities	9,400	445	-	522	522	-	(178)
Cross currency swap (THB:EUR) - hedge the risk of EUR floating-rate investments in debt securities	2,191	36	76	15	15	-	(56)
Cross currency swap (THB:MYR) - hedge the risk of MYR fixed-rate investments in debt securities	7,987	34	107	71	71	-	(57)
Total	67,328	3,300	1,429	3,323	3,321	2	(2,992)

(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			
Interest rate risk							
Interest rate swap option - hedge the risk of EUR floating-rate investments in debt securities	1,307	-	2	(2)	-	(2)	-
Interest rate and foreign exchange rate risk							
Cross currency swap (THB:USD) - hedge the risk of USD fixed-rate investments in debt securities	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

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 2022 and 2021, 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 2022						
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
Fair value hedges - interest rate risk						
Interest rate swap - hedge THB fixed-rate borrowings						
Notional amount (Unit: Million Baht)	-	1,200	7,539	32,082	430	41,251
Average fixed rate (%)	-	0.85	0.56	1.52	1.79	1.33
Average floating rate (%)	-	0.64	1.10	1.25	1.31	1.21
Interest rate swap - hedge USD fixed-rate borrowings						
Notional amount (Unit: Million Baht)	-	-	2,074	25,019	-	27,093
Average fixed rate (%)	-	-	0.59	4.17	-	3.89
Average floating rate (%)	-	-	4.03	6.50	-	6.31
Interest rate swap - hedge THB fixed-rate loans to customers						
Notional amount (Unit: Million Baht)	-	-	-	-	2,677	2,677
Average fixed rate (%)	-	-	-	-	3.58	3.58
Average floating rate (%)	-	-	-	-	3.63	3.63
Interest rate swap option - hedge THB fixed-rate loans to customers						
Notional amount (Unit: Million Baht)	-	75	-	-	-	75
Average fixed rate (%)	-	4.65	-	-	-	4.65
Average floating rate (%)	-	3.63	-	-	-	3.63
Interest rate swap option - hedge THB fixed-rate borrowings						
Notional amount (Unit: Million Baht)	-	-	11,623	22,705	-	34,328
Average fixed rate (%)	-	-	2.26	2.21	-	2.23
Average floating rate (%)	-	-	1.24	1.24	-	1.24

	Consolidated and separate financial statements					
	31 December 2022					
	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
<u>Fair value hedges - foreign exchange rate risk</u>						
Foreign currency swap contract - hedge EUR investments in equity securities						
Notional amount (Unit: Million Baht)	-	9	-	-	-	9
Average foreign exchange rate (THB:EUR)	-	37.33	-	-	-	37.33
Foreign currency swap contract - hedge USD investments in equity securities						
Notional amount (Unit: Million Baht)	-	3,283	-	-	-	3,283
Average foreign exchange rate (THB:USD)	-	37.01	-	-	-	37.01
<u>Cash flow hedges - interest rate risk</u>						
Interest rate swap option - hedge EUR floating-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	-	1,271	-	1,271
<u>Cash flow hedges - interest rate and foreign exchange rate risk</u>						
Cross currency swap (THB:USD) - hedge USD fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	691	7,051	-	7,742
Average foreign exchange rate (THB:USD)	-	-	30.22	32.91	-	32.67
Average fixed rate (%)	-	-	3.57	1.86	-	2.00
Cross currency swap (THB:USD) - hedge USD floating-rate investments in debt securities						
Notional amount (Unit: Million Baht)	2,004	3,975	242	1,728	-	7,949
Average foreign exchange rate (THB:USD)	30.97	31.24	31.43	30.01	-	30.91
Average fixed rate (%)	1.41	1.27	1.35	1.31	-	1.32
Cross currency swap (THB:YEN) - hedge YEN fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	2,609	3,914	24,265	-	30,788
Average foreign exchange rate (THB:YEN)	-	0.30	0.29	0.28	-	0.28
Average fixed rate (%)	-	1.02	1.27	1.81	-	1.67
Cross currency swap (THB:EUR) - hedge EUR fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	-	9,400	-	9,400
Average foreign exchange rate (THB:EUR)	-	-	-	37.04	-	37.04
Average fixed rate (%)	-	-	-	1.66	-	1.66

Consolidated and separate financial statements						
31 December 2022						
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
Cash flow hedges - interest rate and foreign exchange rate risk (continued)						
Cross currency swap (THB:EUR) - hedge EUR floating-rate investments in debt securities						
Notional amount (Unit: Million Baht)	921	-	-	1,270	-	2,191
Average foreign exchange rate (THB:EUR)	33.69	-	-	39.41	-	37.01
Average fixed rate (%)	1.73	-	-	1.18	-	1.39
Cross currency swap (THB:MYR) - hedge MYR fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	1,566	-	6,421	-	7,987
Average foreign exchange rate (THB:MYR)	-	7.40	-	7.85	-	7.76
Average fixed rate (%)	-	2.61	-	2.21	-	2.29
Consolidated and separate financial statements						
31 December 2021						
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
Fair value hedges - interest rate risk						
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 THB fixed-rate loans to customers						
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 THB fixed-rate loans to customers						
Notional amount (Unit: Million Baht)	-	390	-	-	-	390
Average fixed rate (%)	-	3.50	-	-	-	3.50
Average floating rate (%)	-	2.40	-	-	-	2.40

Consolidated and separate financial statements						
31 December 2021						
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
<u>Fair value hedges - foreign exchange rate risk</u>						
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
<u>Cash flow hedges - interest rate risk</u>						
Interest rate swap option - hedge EUR floating-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	-	1,307	-	1,307
<u>Cash flow hedges - interest rate and foreign exchange rate risk</u>						
Cross currency swap (THB:USD) - hedge USD fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	2,005	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 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 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 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

Consolidated and separate financial statements						
31 December 2021						
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
Cash flow hedges - interest rate and foreign exchange rate risk (continued)						
Cross currency swap (THB:EUR) - hedge 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 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 (%)	-	-	-	2.40	-	2.40

During the year ended 31 December 2022, there was no forecast transactions that is expected to be discontinued hedge as it was not expected to occur in the current year.

The following table provides a reconciliation by risk categories of other components of equity, resulting from hedge accounting.

(Unit: Million Baht)

	Consolidated and separate financial statements		
	31 December 2022		
	Cash flow hedge reserve	Gains (losses) from deferred cost of hedging	Total
Balance as at 1 January 2022 - net income tax	142	(75)	67
Effective portion of changes in fair value:			
Interest rate and foreign exchange rate risk	3,321	-	3,321
Net amount reclassified to profit or loss:			
Interest rate and foreign exchange rate risk	(2,992)	-	(2,992)
Changes in deferred cost of hedging	-	(36)	(36)
Related income tax	(65)	7	(58)
Balance as at 31 December 2022 - net income tax	406	(104)	302

(Unit: Million Baht)

Consolidated and separate financial statements			
31 December 2021			
	Cash flow hedge reserve	Gains (losses) from deferred cost of hedging	Total
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 tax	1	27	28
Balance as at 31 December 2021 - net income tax	142	(75)	67

8.6 Investments - net

The detail of investments of the Bank and its subsidiaries as of 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Investments in debt securities measured at amortised cost	950	1,599	249	595
Investments in debt securities measured at fair value through other comprehensive income	258,350	322,190	259,553	323,276
Investments in equity securities designated at fair value through other comprehensive income	17,755	18,253	17,752	18,251
	277,055	342,042	277,554	342,122

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 2022	31 December 2021	31 December 2022	31 December 2021
Government and state enterprise securities	701	1,004	-	-
Private enterprise debt securities	36	145	36	145
Foreign debt securities	251	496	251	496
Total	988	1,645	287	641
<u>Less</u> Allowance for expected credit losses	(38)	(46)	(38)	(46)
Total	950	1,599	249	595

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 2022	31 December 2021	31 December 2022	31 December 2021
Government and state enterprise securities	182,895	256,496	182,895	256,496
Private enterprise debt securities	8,255	10,908	9,458	11,994
Foreign debt securities	67,200	54,786	67,200	54,786
Total	258,350	322,190	259,553	323,276
Allowance for expected credit losses	(945)	(960)	(945)	(960)

8.6.3 Investments in equity securities designated at fair value through other comprehensive income

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2022		31 December 2021	
	Fair value	Dividend income	Fair value	Dividend income
Domestic marketable equity securities	12,549	282	13,366	291
Foreign marketable equity securities	3,392	20	3,499	18
Domestic non-marketable equity securities	1,805	19	1,381	11
Foreign non-marketable equity securities	9	1	7	1
Total	17,755	322	18,253	321

(Unit: Million Baht)

	Separate financial statements			
	31 December 2022		31 December 2021	
	Fair value	Dividend income	Fair value	Dividend income
Domestic marketable equity securities	12,549	282	13,366	291
Foreign marketable equity securities	3,392	20	3,499	18
Domestic non-marketable equity securities	1,802	19	1,379	11
Foreign non-marketable equity securities	9	1	7	1
Total	17,752	322	18,251	321

During the year ended 31 December 2022, the Bank sold its investments in equity securities designated at fair value through other comprehensive income to maintain the shareholding proportion in accordance with the BOT's regulations. The fair value on the disposal date of Baht 33 million and the accumulated gains previously recognised in other comprehensive income of Baht 32 million were transferred to retained earnings. The Bank received dividends of Baht 0.7 million from such investments.

- 8.6.4 The Bank and its subsidiaries have investments in securities which the Bank hold not less than 10 percent of the equity of the investee, classified by industrial sector and represented at their fair value as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements	
	31 December 2022	31 December 2021
Public utilities and services	136	4,743
Mutual funds and REIT	1,538	1,131

- 8.6.5 As at 31 December 2022 and 2021, investments of the Bank and its subsidiaries in the consolidated and separate financial statements include investments in companies which have problems with their financial position and operating performance, as follows:

	Consolidated and separate financial statements							
	Number		Cost		Fair value		Allowance for expected credit losses/ allowance for impairment provided in the accounts	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies that are possible to delisting from the SET	2	2	832	832	36	33	847	847
2. Companies which have debt settlement problems or default on debt repayment	2	2	115	115	-	-	115	115

8.7 Investments in subsidiaries and associated companies - net

8.7.1 Separate financial statements

(Unit: Million Baht)

			Percentages of shareholdings		Investments (Cost method)		Dividend for the years ended	
			31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Name of company	Type of business	Type of shares						
Subsidiaries								
Directly held								
KTB Law Co., Ltd.	Legal services	Ordinary	100.00	100.00	30	30	-	-
KTB General Services and Security Co., Ltd.	General services	Ordinary	100.00	100.00	140	140	183	172
Krung Thai Asset Management Plc.	Fund management	Ordinary	100.00	100.00	211	211	750	550
KTB Computer Services Co., Ltd.	IT services	Ordinary	100.00	100.00	1,300	1,300	156	153
KTB Leasing Co., Ltd. ⁽¹⁾	Hire purchase	Ordinary	24.95	24.95	249	249	-	-
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	1,271	1,118
KTC Nano Co., Ltd. ⁽¹⁾	Nano finance	Ordinary	24.95	24.95	13	13	-	-
KTC Pico (Bangkok) Co., Ltd. ⁽¹⁾	Personal loan	Ordinary	24.95	24.95	15	15	-	-
KTC Prepaid Co., Ltd. ⁽¹⁾	Electronic money services	Ordinary	24.95	24.95	25	25	-	-
Indirect held								
KTC Pico (Chonburi) Co., Ltd. ⁽²⁾	Personal loan				-	-	-	-
KTC Pico (Pathum Thani) Co., Ltd. ⁽²⁾	Personal loan				-	-	-	-
KTC Pico (Samut Prakan) Co., Ltd. ⁽²⁾	Personal loan				-	-	-	-
KTC Pico (Samut Sakhon) Co., Ltd. ⁽²⁾	Personal loan				-	-	-	-
Infinitas by Krungthai Co., Ltd. ⁽³⁾	Digital platform services				-	-	-	-
Arise by Infinitas Co., Ltd. ⁽⁴⁾	Human resource technology services				-	-	-	-
Total					4,361	4,361	2,360	1,993
Less Allowance for impairment					(53)	(199)	-	-
Total					4,308	4,162	2,360	1,993

(Unit: Million Baht)

			Percentages of shareholdings		Investments (Cost method)		Dividend for the years ended	
Name of company	Type of business	Type of shares	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
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	238	223
Krungthai Mizuho Leasing Co., Ltd. ⁽⁵⁾	Hire purchase	Ordinary	49.00	49.00	87	87	65	59
Krungthai XSpring Securities Co., Ltd. ⁽⁶⁾	Securities business	Ordinary	50.00	50.00	1,069	1,069	193	62
National ITMX Co., Ltd.	Services	Ordinary	19.97	19.97	39	39	129	75
BCI (Thailand) Co., Ltd.	Services	Ordinary	22.17	22.17	117	117	-	-
Total					6,903	6,903	625	569
Less Allowance for impairment					(35)	(23)	-	-
Total					6,868	6,880	625	569
Investments in subsidiaries and associates - net					11,176	11,042	2,985	2,562

- (1) The Bank has 24.95 percent shareholding in KTB Leasing Co., Ltd., 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 KTB Leasing Co., Ltd., KTC Nano Co., Ltd., KTC Pico (Bangkok) Co., Ltd. and KTC Prepaid Co., Ltd.
- (2) 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.
- (3) The Bank, indirectly invested by KTB Advisory Co., Ltd., which invested in the 100% shareholdings of Infinitas by Krungthai Co., Ltd.
- (4) The Bank, indirectly invested by Infinitas by Krungthai Co., Ltd. which invested in the 51% shareholdings of Arise by Infinitas Co., Ltd.
- (5) On 6 January 2022, Krung Thai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd.
- (6) On 4 April 2022, Krungthai Zmco Securities Co., Ltd. changed its name to Krungthai XSpring Securities 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 changes in the ownership interests in subsidiaries during the years ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	(%)	(%)										
Krungthai Card Plc.	50.71	50.71	16,162	13,883	1,307	1,150	3,581	2,976	5	2	-	494
KTB Advisory Co., Ltd.	12.17	12.17	37	37	-	-	-	-	-	-	-	-
Infinitas by Krungthai Co., Ltd.	12.17	12.17	28	7	-	-	19	7	2	-	-	-
Arise by Infinitas Co., Ltd.	55.21	55.21	40	132	-	-	(92)	(15)	-	-	-	-
			16,267	14,059	1,307	1,150	3,508	2,968	7	2	-	494

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 2022	31 December 2021
<u>Summarised information about financial position</u>		
Total assets	101,796	89,471
Total liabilities	70,220	62,387

	(Unit: Million Baht)	
	Krungthai Card Plc.	
	For the years ended 31 December	
	2022	2021
<u>Summarised information about comprehensive income</u>		
Net operating income	10,246	8,661
Profit for the period	7,054	5,789
Other comprehensive income	16	3
Total comprehensive income	7,070	5,792
<u>Summarised information about cash flow</u>		
Cash flow from (used in) operating activities	(4,277)	8,334
Cash flow from (used in) investing activities	(226)	(779)
Cash flow from (used in) financing activities	4,322	(7,390)

8.7.2 Consolidated financial statements

As at 31 December 2022 and 2021, 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)					
	31 December 2022			31 December 2021		
Name of company	Percentages of shareholdings	Investments (cost method)	Investment (equity method)	Percentages of shareholdings	Investments (cost method)	Investment (equity method)
Associated companies						
Krungthai-AXA Life Insurance Plc.	50.00	594	5,728	50.00	594	14,909
Krungthai Panich Insurance Plc.	45.00	971	3,562	45.00	971	4,180
Krungthai Mizuho Leasing Co., Ltd. ⁽¹⁾	49.00	87	944	49.00	87	866
Krungthai XSpring Securities Co., Ltd. ⁽²⁾	50.00	1,069	1,203	50.00	1,069	1,330
National ITMX Co., Ltd.	19.97	39	813	19.97	39	608
BCI (Thailand) Co., Ltd.	22.17	117	70	22.17	117	82
Total investments in associated companies - net		2,877	12,320		2,877	21,975

(1) On 6 January 2022, Krung Thai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd.

(2) On 4 April 2022, Krungthai Zmico Securities Co., Ltd. changed its name to Krungthai XSpring Securities Co., Ltd.

(Unit: Million Baht)

Name of company	For the years ended 31 December					
	2022			2021		
	Dividend income	Share of profit (loss)	Share of other comprehensive income	Dividend income	Share of profit (loss)	Share of other comprehensive income
Associated companies						
Krungthai-AXA Life Insurance Plc. ⁽¹⁾	-	231	(9,412)	150	219	(8,976)
Krungthai Panich Insurance Plc. ⁽¹⁾	238	314	(694)	223	303	1,073
Krungthai Mizuho Leasing Co., Ltd. ⁽²⁾	65	143	-	59	135	-
Krungthai XSpring Securities Co., Ltd. ⁽³⁾	193	85	(19)	62	186	(2)
National ITMX Co., Ltd.	129	334	-	75	216	-
BCI (Thailand) Co., Ltd.	-	(12)	-	-	(13)	-
Total investments in associated companies - net	625	1,095	(10,125)	569	1,046	(7,905)

(1) Presents in the amount after adjustment for the effect of differences in accounting policies.

(2) On 6 January 2022, Krung Thai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd.

(3) On 4 April 2022, Krungthai Zmico Securities Co., Ltd. changed its name to Krungthai XSpring Securities Co., Ltd.

Investments in associated companies are accounted in the consolidated financial statements by using the equity method based on financial information from unaudited/ unreviewed financial statements of the associated companies.

8.7.3 Significant financial information of the associated companies

Summarised information about financial position

(Unit: Million Baht)

	Krungthai-AXA Life Insurance Plc.		Krungthai Panich Insurance Plc.		Krungthai Mizuho Leasing Co., Ltd. ⁽¹⁾	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Total assets	308,274	328,281	14,767	16,276	16,963	14,489
Total liabilities	296,818	298,462	6,851	6,988	15,037	12,722
Net assets	11,456	29,819	7,916	9,288	1,926	1,767
Shareholding percentage (%)	50.00	50.00	45.00	45.00	49.00	49.00
Carrying amounts of the associate based on equity method	5,728	14,909	3,562	4,180	944	866

(Unit: Million Baht)

	Krungthai XSpring Securities Co., Ltd. ⁽²⁾		National ITMX Co., Ltd.		BCI (Thailand) Co., Ltd.	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Total assets	10,230	9,099	4,596	3,719	333	407
Total liabilities	7,825	6,438	527	674	16	39
Net assets	2,405	2,661	4,069	3,045	317	368
Shareholding percentage (%)	50.00	50.00	19.97	19.97	22.17	22.17
Carrying amounts of the associate based on equity method	1,203	1,330	813	608	70	82

(1) On 6 January 2022, Krung Thai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd.

(2) On 4 April 2022, Krungthai Zmico Securities Co., Ltd. changed its name to Krungthai XSpring Securities Co., Ltd.

Summarised information about comprehensive income

(Unit: Million Baht)

	For the years ended 31 December					
	Krungthai AXA Life Insurance Plc. ⁽¹⁾		Krungthai Panich Insurance Plc. ⁽¹⁾		Krungthai Mizuho Leasing Co., Ltd. ⁽²⁾	
	2022	2021	2022	2021	2022	2021
Revenue	53,635	59,450	3,517	3,235	1,256	1,148
Profit (loss)	462	439	698	674	291	274
Other comprehensive income	(18,825)	(17,953)	(1,542)	2,383	-	-
Total comprehensive income	(18,363)	(17,514)	(844)	3,057	291	274

(Unit: Million Baht)

	For the years ended 31 December					
	Krungthai XSpring Securities Co., Ltd. ⁽³⁾		National ITMX Co., Ltd.		BCI (Thailand) Co., Ltd.	
	2022	2021	2022	2021	2022	2021
Revenue	1,552	1,916	2,882	2,107	32	27
Profit (loss)	169	373	1,673	1,086	(51)	(62)
Other comprehensive income	(38)	(3)	-	-	-	-
Total comprehensive income	131	370	1,673	1,086	(51)	(62)

(1) Presents in the amount after adjustment for the effect of differences in accounting policies.

(2) On 6 January 2022, Krung Thai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd.

(3) On 4 April 2022, Krungthai Zmico Securities Co., Ltd. changed its name to Krungthai XSpring Securities Co., Ltd.

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	31 December	31 December	31 December
	2022	2021	2022	2021
Overdrafts	148,371	149,347	148,371	149,347
Loans	1,778,011	1,748,643	1,684,813	1,663,269
Bills	661,794	725,838	667,024	730,568
Hire-purchase receivables	2,504	1,006	-	1
Finance lease receivables	402	683	-	-
Others	2,288	3,742	2,288	1,983
<u>Less</u> Deferred revenue	(532)	(296)	(75)	(47)
Total loans to customers net of deferred revenue	2,592,838	2,628,963	2,502,421	2,545,121
<u>Add</u> Accrued interest receivables	25,372	20,579	24,690	19,992
Total loans to customers net of deferred revenue, plus accrued interest receivables	2,618,210	2,649,542	2,527,111	2,565,113
<u>Less</u> Allowance for expected credit losses	(174,378)	(173,322)	(165,834)	(163,650)
Total loans to customers and accrued interest receivables - net	2,443,832	2,476,220	2,361,277	2,401,463

As at 31 December 2022, the Bank has loans to customers including loans with modification of contracts, that the Bank has elected to adopt Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19 in the preparation of the financial statements, representing 7 percent of total loans (2021: 13 percent of total loans 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).

As at 31 December 2022, the Bank has loans to customers, includes interbank and money market items, made under programs rolled out in accordance with government policy. These consist of a soft loans program to provide working capital for SMEs, a soft loans program for replacement and improvement of machinery and increased productivity for SMEs, a program to provide financial support for entrepreneurs in the three Southern border provinces, a phase 6 of a program for financial institutions to provide revolving funds for energy conservation, a project to provide loans for the environment, COVID-19 soft loans for personal loan and SMEs and rehabilitation loan, together totalled Baht 19,693 million.

8.8.2 Classified by loans currency and residence

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2022			31 December 2021		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,504,506	22,402	2,526,908	2,533,075	25,391	2,558,466
US Dollar	16,025	48,825	64,850	33,390	35,941	69,331
Other currencies	490	590	1,080	638	528	1,166
Total*	2,521,021	71,817	2,592,838	2,567,103	61,860	2,628,963

* Total loans net of deferred revenues

(Unit: Million Baht)

	Separate financial statements					
	31 December 2022			31 December 2021		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,414,089	22,402	2,436,491	2,449,233	25,391	2,474,624
US Dollar	16,025	48,825	64,850	33,390	35,941	69,331
Other currencies	490	590	1,080	638	528	1,166
Total*	2,430,604	71,817	2,502,421	2,483,261	61,860	2,545,121

* 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 2022	31 December 2021	31 December 2022	31 December 2021
Agriculture and mining	31,045	29,325	30,888	29,190
Manufacturing and trading	572,762	538,612	572,636	537,398
Real estate and construction	140,377	136,595	140,143	136,055
Public utilities and services	656,881	776,907	658,317	777,740
Housing loans	472,640	445,011	472,640	445,011
Others	719,133	702,513	627,797	619,727
Total *	2,592,838	2,628,963	2,502,421	2,545,121

* Total loans net of deferred revenues

8.8.4 Classified by loans classification

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2022		31 December 2021	
	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)	2,289,507	44,720	2,306,478	44,722
Financial assets where there has been a significant increase in credit risk (Under- Performing)	217,522	52,526	228,443	48,923
Financial assets that are credit- impaired (Non- Performing)	108,732	76,508	111,422	77,334
Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	2,449	624	3,199	2,343
Total	2,618,210	174,378	2,649,542	173,322

(Unit: Million Baht)

Separate financial statements				
31 December 2022		31 December 2021		
Loans to customers and accrued interest receivables	Allowance for expected credit losses	Loans to customers and accrued interest receivables	Allowance for expected credit losses	
Financial assets where there has not been a significant increase in credit risk (Performing)	2,214,314	40,720	2,237,272	40,824
Financial assets where there has been a significant increase in credit risk (Under-Performing)	205,728	49,744	218,021	46,558
Financial assets that are credit-impaired (Non- Performing)	107,069	75,370	109,820	76,268
Total	2,527,111	165,834	2,565,113	163,650

8.8.5 As at 31 December 2022 and 2021, 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 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
		Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies that are possible to delisting from the SET	1	1	5,705	5,705	5,705
2. Listed companies that have been delisted from the SET	1	1	8,714	8,255	3,228
					4,659

8.8.6 Finance lease receivables (including hire-purchase receivables and finance lease receivables)

(Unit: Million Baht)

	Consolidated financial statements							
	31 December 2022				31 December 2021			
	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	1,001	1,778	127	2,906	673	960	56	1,689
<u>Less</u> Unearned financial income				(457)				(249)
Present value of minimum lease payments				2,449				1,440
<u>Less</u> Allowance for expected credit losses				(624)				(716)
Finance lease receivables - net				1,825				724

(Unit: Million Baht)

	Separate financial statements							
	31 December 2022				31 December 2021			
	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
<u>Less</u> Unearned financial income				-				-
Present value of minimum leases payments				-				1
<u>Less</u> Allowance for expected credit losses				-				(1)
Finance lease receivables - net				-				-

8.9 Allowance for expected credit losses

(Unit: Million Baht)

Consolidated financial statements					
31 December 2022					
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets where simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	Total
Interbank and money market items (assets)					
Beginning balance	2,198	86	-	-	2,284
Changes due to staging of financial assets	3	(3)	-	-	-
Changes due to remeasurement of loss allowance	788	(29)	-	-	759
New financial assets purchased or acquired	127	19	-	-	146
Derecognition of financial assets	(263)	(19)	-	-	(282)
Ending balance	2,853	54	-	-	2,907
Investments in debt securities measured at amortised cost					
Beginning balance	-	10	36	-	46
New financial assets purchased or acquired	-	2	-	-	2
Derecognition of financial assets	-	(10)	-	-	(10)
Ending balance	-	2	36	-	38
Investments in debt securities measured at fair value through other comprehensive income					
Beginning balance	34	-	926	-	960
Changes due to remeasurement of loss allowance	(9)	-	-	-	(9)
New financial assets purchased or acquired	9	-	-	-	9
Derecognition of financial assets	(15)	-	-	-	(15)
Ending balance	19	-	926	-	945
Loans to customers and accrued interest receivables					
Beginning balance	44,722	48,923	77,334	2,343	173,322
Changes due to staging of financial assets	2,070	(3,575)	1,505	-	-
Changes due to remeasurement of loss allowance	(2,738)	8,080	20,588	258	26,188
New financial assets purchased or acquired	4,062	6,408	950	39	11,459
Derecognition of financial assets	(3,396)	(7,310)	(2,885)	(174)	(13,765)
Bad debt written-off	-	-	(20,984)	(1,842)	(22,826)
Ending balance	44,720	52,526	76,508	624	174,378

(Unit: Million Baht)

	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
Interbank and money market items (assets)					
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
Investments in debt securities measured at amortised cost					
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
Investments in debt securities measured at fair value through other comprehensive income					
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
Loans to customers and accrued interest receivables					
Beginning balance	32,093	41,627	74,204	2,604	150,528
Changes due to staging of financial assets	5,614	(3,851)	(1,763)	-	-
Changes due to remeasurement of loss allowance	3,852	11,176	16,205	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	-	-	(9,901)	(854)	(10,755)
Ending balance	44,722	48,923	77,334	2,343	173,322

(Unit: Million Baht)

Separate financial statements				
31 December 2022				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items (assets)				
Beginning balance	2,198	86	-	2,284
Changes due to staging of financial assets	3	(3)	-	-
Changes due to remeasurement of loss allowance	788	(29)	-	759
New financial assets purchased or acquired	127	19	-	146
Derecognition of financial assets	(263)	(19)	-	(282)
Ending balance	2,853	54	-	2,907
Investments in debt securities measured at amortised cost				
Beginning balance	-	10	36	46
New financial assets purchased or acquired	-	2	-	2
Derecognition of financial assets	-	(10)	-	(10)
Ending balance	-	2	36	38
Investments in debt securities measured at fair value through other comprehensive income				
Beginning balance	34	-	926	960
Changes due to remeasurement of loss allowance	(9)	-	-	(9)
New financial assets purchased or acquired	9	-	-	9
Derecognition of financial assets	(15)	-	-	(15)
Ending balance	19	-	926	945
Loans to customers and accrued interest receivables				
Beginning balance	40,824	46,558	76,268	163,650
Changes due to staging of financial assets	1,719	(3,197)	1,478	-
Changes due to remeasurement of loss allowance	(2,147)	6,643	15,869	20,365
New financial assets purchased or acquired	3,440	6,408	950	10,798
Derecognition of financial assets	(3,116)	(6,668)	(2,138)	(11,922)
Bad debt written-off	-	-	(17,057)	(17,057)
Ending balance	40,720	49,744	75,370	165,834

(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
Interbank and money market items (assets)				
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
Investments in debt securities measured at amortised cost				
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
Investments in debt securities measured at fair value through other comprehensive income				
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
Loans to customers and accrued interest receivables				
Beginning balance	28,249	39,183	73,158	140,590
Changes due to staging of financial assets	5,279	(3,437)	(1,842)	-
Changes due to remeasurement of loss allowance	4,237	9,987	10,541	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	-	-	(5,031)	(5,031)
Ending balance	40,824	46,558	76,268	163,650

8.10 Properties for sale - net

Properties for sale as of 31 December 2022 and 2021 are summarised as follows:

(Unit: Million Baht)

Consolidated financial statements								
Type of properties for sale	31 December 2022				31 December 2021			
	Beginning			Ending	Beginning			Ending
	balance	Increase	Decrease	balance	balance	Increase	Decrease	balance
Assets from debt repayment								
Immovable properties	47,088	5,695	(2,929)	49,854	39,588	12,280	(4,780)	47,088
Movable assets	145	229	(210)	164	171	105	(131)	145
Total	47,233	5,924	(3,139)	50,018	39,759	12,385	(4,911)	47,233
Others (closed branches)	470	103	(238)	335	677	6	(213)	470
Properties for sale in transit	340	567	(907)	-	650	2,138	(2,448)	340
Total	48,043	6,594	(4,284)	50,353	41,086	14,529	(7,572)	48,043
<u>Less</u> Allowance for impairment	(8,816)	(1,493)	785	(9,524)	(8,427)	(2,190)	1,801	(8,816)
Properties for sale - net	39,227	5,101	(3,499)	40,829	32,659	12,339	(5,771)	39,227

(Unit: Million Baht)

Separate financial statements								
Type of properties for sale	31 December 2022				31 December 2021			
	Beginning			Ending	Beginning			Ending
	balance	Increase	Decrease	balance	balance	Increase	Decrease	balance
Assets from debt repayment								
Immovable properties	47,088	5,695	(2,929)	49,854	39,588	12,280	(4,780)	47,088
Movable assets	11	-	-	11	11	-	-	11
Total	47,099	5,695	(2,929)	49,865	39,599	12,280	(4,780)	47,099
Others (closed branches)	470	103	(238)	335	675	6	(211)	470
Properties for sale in transit	340	567	(907)	-	650	2,138	(2,448)	340
Total	47,909	6,365	(4,074)	50,200	40,924	14,424	(7,439)	47,909
<u>Less</u> Allowance for impairment	(8,726)	(1,290)	606	(9,410)	(8,355)	(2,077)	1,706	(8,726)
Properties for sale - net	39,183	5,075	(3,468)	40,790	32,569	12,347	(5,733)	39,183

During the years ended 31 December 2022 and 2021, the Bank had gains on disposal of properties for sale totaling Baht 360 million and Baht 432 million, respectively (excluding revenue from ownership transfer fees paid by customers totaling Baht 43 million and Baht 71 million, respectively, and selling expenses of Baht 236 million and Baht 292 million, respectively).

Immovable properties for sale classified by external and internal appraisers as at 31 December 2022 and 2021 consist of the following:

		(Unit: Million Baht)	
		Consolidated and separate financial statements	
		31 December 2022	31 December 2021
Immovable properties for sale - assets from debt repayment			
Appraised by external appraisers		48,933	45,755
Appraised by internal appraisers		921	1,333
Total		49,854	47,088

As at 31 December 2022, the Bank has properties for sale which participated in the BOT's financial restructuring program for providing assistance and rehabilitation of business entrepreneurs affected by the coronavirus disease 2019 outbreak, whereby it entered into a contract to accept the transfer of legal ownership rights in settlement of loans amounting to Baht 11,686 million. Debtor who is participating in the program has entered into the contract to lease back its assets from the Bank for use in its operations and has been granted rights to purchase its assets back within 3-5 years at the purchase price plus the cost of maintenance of the assets and other expenses related to the maintenance of the assets, less rental fee (2021: Baht 7,892 million).

8.11 Land, premises and equipment - net

Movement of land, premises and equipment for the years ended 31 December 2022 and 2021 are summarised as follows:

(Unit: Million Baht)

Consolidated financial statements						
31 December 2022						
Land						
	Cost	Revaluation*	Premises	Equipment	Others	Total
<u>Cost</u>						
1 January 2022	5,779	17,694	12,555	23,911	992	60,931
Additions/transfers-in	-	-	123	1,959	537	2,619
Disposals/transfers-out	(31)	(59)	(444)	(2,619)	(93)	(3,246)
Others	-	4	1	(5)	(7)	(7)
31 December 2022	5,748	17,639	12,235	23,246	1,429	60,297
<u>Accumulated depreciation</u>						
1 January 2022	-	-	9,013	19,529	824	29,366
Depreciation	-	-	214	1,669	72	1,955
Disposals	-	-	(71)	(2,185)	(5)	(2,261)
Others	-	-	-	(5)	(4)	(9)
31 December 2022	-	-	9,156	19,008	887	29,051
<u>Allowance for impairment</u>						
1 January 2022	31	-	16	-	-	47
Disposals	(1)	-	-	-	-	(1)
31 December 2022	30	-	16	-	-	46
<u>Net book value</u>						
31 December 2022	5,718	17,639	3,063	4,238	542	31,200
Depreciation for the years ended 31 December						
2021						1,849
2022						1,955

* The Bank has revaluation in 2021.

(Unit: Million Baht)

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)

Separate financial statements						
31 December 2022						
	Land					
	Cost	Revaluation*	Premises	Equipment	Others	Total
<u>Cost</u>						
1 January 2022	5,992	17,330	11,484	13,782	963	49,551
Additions/transfers-in	-	-	36	964	492	1,492
Disposals/transfers-out	(31)	(59)	(415)	(1,023)	(27)	(1,555)
Others	-	4	1	(5)	(7)	(7)
31 December 2022	5,961	17,275	11,106	13,718	1,421	49,481
<u>Accumulated depreciation</u>						
1 January 2022	-	-	8,313	11,728	824	20,865
Depreciation	-	-	148	771	72	991
Disposals	-	-	(44)	(1,023)	(5)	(1,072)
Others	-	-	-	(5)	(4)	(9)
31 December 2022	-	-	8,417	11,471	887	20,775
<u>Allowance for impairment</u>						
1 January 2022	31	-	16	-	-	47
Disposals	(1)	-	-	-	-	(1)
31 December 2022	30	-	16	-	-	46
<u>Net book value</u>						
31 December 2022	5,931	17,275	2,673	2,247	534	28,660
Depreciation for the years ended 31 December						
2021						1,025
2022						991

* The Bank has revaluation in 2021.

(Unit: Million Baht)

	Separate financial statements					
	31 December 2021					
	Land					
	Cost	Revaluation*	Premises	Equipment	Others	Total
<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.

As at 31 December 2022 and 2021, 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 18,173 million and Baht 19,473 million, respectively (separate financial statements: Baht 12,592 million and Baht 13,174 million, respectively).

The Bank arranged for an independent appraiser to appraise the value of land in 2021. The basis of the revaluation was market approach.

Assumptions used in the valuation are summarised as follows:

	Consolidated and separate financial statements	Result to fair value whereas an increase in assumption value
Price per square wah (Baht)	3,000 - 2,000,000	Increase in fair value

Surplus on revaluation of assets

Movements in surplus on revaluation of assets arising from revaluation of land of the Bank and its subsidiaries for the years ended 31 December 2022 and 2021 are summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Balance - beginning of the year	14,296	8,580	14,005	8,289
Increased during the year ⁽¹⁾	-	5,836	-	5,836
Transfer out during the year	(85)	(120)	(85)	(120)
Balance - end of the year	14,211	14,296	13,920	14,005

(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 2022 and 2021 are summarised as follows:

(Unit: Million Baht)

Consolidated financial statements					
31 December 2022					
	Premises	Equipment	Vehicles	Software license	Total
<u>Cost</u>					
1 January 2022	4,839	506	1,791	10	7,146
Additions/transfers-in	1,367	37	251	-	1,655
Disposals/transfers-out	(1,428)	(14)	(192)	-	(1,634)
Others	(6)	-	-	-	(6)
31 December 2022	4,772	529	1,850	10	7,161
<u>Accumulated depreciation</u>					
1 January 2022	2,046	133	693	2	2,874
Depreciation	1,644	157	419	3	2,223
Disposals	(1,401)	(14)	(181)	-	(1,596)
31 December 2022	2,289	276	931	5	3,501
<u>Net book value</u>					
31 December 2022	2,483	253	919	5	3,660
Depreciation for the years ended 31 December					
2021					2,213
2022					2,223

(Unit: Million Baht)

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)

Separate financial statements				
31 December 2022				
	Premises	Vehicles	Software license	Total
<u>Cost</u>				
1 January 2022	4,150	1,620	10	5,780
Additions/transfers-in	1,129	236	-	1,365
Disposals/transfers-out	(1,257)	(130)	-	(1,387)
Others	(6)	-	-	(6)
31 December 2022	4,016	1,726	10	5,752
<u>Accumulated depreciation</u>				
1 January 2022	1,687	605	2	2,294
Depreciation	1,413	388	3	1,804
Disposals	(1,245)	(130)	-	(1,375)
31 December 2022	1,855	863	5	2,723
<u>Net book value</u>				
31 December 2022	2,161	863	5	3,029
Depreciation for the years ended 31 December				
2021				1,863
2022				1,804

(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

8.12.2 Lease liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
Lease payments				
Up to 1 years	1,763	1,958	1,384	1,513
Over 1 - 5 years	1,923	2,318	1,584	1,892
Over 5 years	159	190	159	190
Total	3,845	4,466	3,127	3,595
<u>Less:</u> Deferred interest expenses	(157)	(189)	(124)	(146)
Total	3,688	4,277	3,003	3,449

8.12.3 Expenses relating to leases that are recognised in profit or loss

(Unit: Million Baht)

For the years ended 31 December

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	2,223	2,213	1,804	1,863
Interest expense on lease liabilities	84	84	52	52
Expense relating to short-term leases	473	430	332	276
Expense relating to leases of low-value assets	64	91	30	58
Total	2,844	2,818	2,218	2,249

8.12.4 Others

The Bank and its subsidiaries had total cash outflows for leases for the years ended 31 December 2022 and 2021 of Baht 2,881 million and Baht 2,934 million, respectively (separate financial statements: Baht 2,265 million and Baht 2,300 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 2022 and 2021 are summarised as follows:

(Unit: Million Baht)

Consolidated financial statements					
31 December 2022					
	Computer software	Other licenses	Development cost	Intangible assets under development	Total
<u>Cost</u>					
1 January 2022	16,127	14	4,322	728	21,191
Additions/transfers-in	4,781	-	30	7,467	12,278
Disposals/transfers-out	(452)	-	(89)	(5,988)	(6,529)
Others	(1)	-	-	-	(1)
31 December 2022	20,455	14	4,263	2,207	26,939
<u>Accumulated amortisation</u>					
1 January 2022	6,571	12	3,761	-	10,344
Amortisation	1,704	1	172	-	1,877
Disposals	(419)	-	(48)	-	(467)
31 December 2022	7,856	13	3,885	-	11,754
<u>Allowance for impairment</u>					
1 January 2022	1	-	-	-	1
Additions/transfers-in	2	-	18	-	20
31 December 2022	3	-	18	-	21
<u>Net book value</u>					
31 December 2022	12,596	1	360	2,207	15,164
Amortisation for the years ended 31 December					
2021					1,278
2022					1,877

(Unit: Million Baht)

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	-	-	(2)	-	(2)
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)

Separate financial statements					
31 December 2022					
	Computer software	Other licenses	Development cost	Intangible assets under development	Total
<u>Cost</u>					
1 January 2022	10,127	7	755	639	11,528
Additions/transfers-in	5,207	-	10	7,450	12,667
Disposals/transfers-out	-	-	(2)	(5,895)	(5,897)
Others	(1)	-	-	-	(1)
31 December 2022	15,333	7	763	2,194	18,297
<u>Accumulated amortisation</u>					
1 January 2022	1,703	5	555	-	2,263
Amortisation	1,344	-	57	-	1,401
31 December 2022	3,047	5	612	-	3,664
<u>Allowance for impairment</u>					
1 January 2022	1	-	-	-	1
31 December 2022	1	-	-	-	1
<u>Net book value</u>					
31 December 2022	12,285	2	151	2,194	14,632
Amortisation for the years ended 31 December					
2021					707
2022					1,401

(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	-	-	(2)	-	(2)
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

As at 31 December 2022 and 2021, 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 6,309 million and Baht 6,067 million, respectively (separate financial statements: Baht 901 million and Baht 898 million, respectively).

8.14 Deferred tax assets/liabilities and income tax

8.14.1 Deferred tax assets/liabilities

As at 31 December 2022 and 2021, deferred tax assets and liabilities are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Deferred tax assets	10,842	11,591	8,060	8,767
Deferred tax liabilities	(6,345)	(6,802)	(6,102)	(6,513)
Net	4,497	4,789	1,958	2,254

The components of deferred tax assets and liabilities are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2022	31 December 2021	Changes of deferred tax for the years ended 31 December	
			2022	2021
Deferred tax assets:				
Investments	1,083	686	397	101
Investment in subsidiaries and associated companies	(27)	-	(27)	-
Loans to customers and accrued interest receivable	1,794	2,148	(354)	(161)
Properties for sale	2,063	1,919	144	248
Land, premises and equipment	11	11	-	(5)
Provisions	4,047	4,070	(23)	13
Unused tax losses	31	17	14	11
Leases	71	91	(20)	3
Others	1,769	2,649	(880)	(186)
Total	10,842	11,591	(749)	24
Deferred tax liabilities:				
Investments	(2,611)	(2,803)	192	(329)
Land, premises and equipment	(3,893)	(3,904)	11	(1,460)
Leases	(60)	(83)	23	(4)
Others	219	(12)	231	677
Total	(6,345)	(6,802)	457	(1,116)
Net	4,497	4,789	(292)	(1,092)
Changes of deferred tax:				
Recognised in profit or loss			(645)	683
Recognised in other comprehensive income			353	(1,775)
Total			(292)	(1,092)

(Unit: Million Baht)

	Separate financial statements			
	31 December 2022	31 December 2021	Changes of deferred tax for the years ended 31 December	
			2022	2021
Deferred tax assets:				
Investments	1,079	684	395	101
Investment in subsidiaries and associated companies	(27)	-	(27)	(162)
Loans to customers and accrued interest receivables	22	323	(301)	(95)
Properties for sale	2,063	1,919	144	248
Land, premises and equipment	9	9	-	(4)
Provisions	3,186	3,768	(582)	20
Others	1,728	2,064	(336)	(272)
Total	8,060	8,767	(707)	(164)
Deferred tax liabilities:				
Investments	(2,611)	(2,803)	192	(329)
Land, premises and equipment	(3,855)	(3,858)	3	(1,470)
Others	364	148	216	656
Total	(6,102)	(6,513)	411	(1,143)
Net	1,958	2,254	(296)	(1,307)
Changes of deferred tax:				
Recognised in profit or loss			(673)	449
Recognised in other comprehensive income			377	(1,756)
Total			(296)	(1,307)

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 2022 and 2021 are as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current income tax:				
Corporate income tax	8,635	6,729	6,488	4,877
Adjustment in respect of income tax	(203)	(71)	(210)	(33)
Deferred tax:				
Relating to temporary differences and reversal of temporary differences	645	(683)	673	(449)
Income tax expenses reported in profit or loss	9,077	5,975	6,951	4,395

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax on revaluation surplus on assets	-	1,459	-	1,459
Deferred tax on gains (losses) from hedge accounting	58	(28)	58	(28)
Deferred tax on gains (losses) from the changes in value of investments in debt instruments measured at fair value through other comprehensive income	(397)	(452)	(396)	(452)
Deferred tax on gains (losses) from the changes in value of investments in equity instruments designated at fair value through other comprehensive income	(236)	625	(236)	625
Deferred tax on actuarial gains and losses	222	171	197	152
	(353)	1,775	(377)	1,756

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Accounting profit before tax	46,283	30,531	38,633	23,832
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	9,257	6,106	7,727	4,766
Adjustment in respect of income tax	(203)	(71)	(210)	(33)
Allowance for deterred tax assets	275	-	275	-
Effects of non-taxable revenue and non-deductible expenses - net	(252)	(60)	(841)	(338)
Income tax expenses reported in profit or loss	9,077	5,975	6,951	4,395

8.15 Other assets - net

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Prepaid expenses	438	1,729	56	1,161
Suspense debtors	4,501	4,361	4,636	4,497
Collateral under Credit Support Annex				
Contract and Cash Margin Debtors	7,059	6,404	7,059	6,404
Settlement account between the Bank and other financial institutions	131	104	35	38
Receivables from sale of securities	10,620	2,068	10,620	2,068
Others	13,165	9,233	13,945	9,772
Total	35,914	23,899	36,351	23,940
Less: Allowance for impairment	(3,812)	(3,793)	(3,808)	(3,784)
Other assets - net	32,102	20,106	32,543	20,156

As at 31 December 2022, other assets included defaulted debtors from convertible preferred shares contracts of Baht 998 million, which the Bank has set up an allowance for impairment at the same amount (Note 8.41.1 to the consolidated financial statements) (2021: Baht 998 million).

8.16 Deposits

8.16.1 Classified by type of deposits

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Demand deposits	131,583	124,124	131,628	124,135
Saving deposits	2,023,063	2,078,745	2,026,933	2,082,289
Time of deposits	435,590	411,878	436,164	412,642
Total	2,590,236	2,614,747	2,594,725	2,619,066

8.16.2 Classified by customers currency and residence

(Unit: Million Baht)

	Consolidated financial statements					
	31 December 2022			31 December 2021		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,527,372	24,200	2,551,572	2,563,846	21,895	2,585,741
US Dollar	26,699	9,320	36,019	19,152	6,921	26,073
Others	2,006	639	2,645	2,469	464	2,933
Total	2,556,077	34,159	2,590,236	2,585,467	29,280	2,614,747

(Unit: Million Baht)

	Separate financial statements					
	31 December 2022			31 December 2021		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,531,861	24,200	2,556,061	2,568,165	21,895	2,590,060
US Dollar	26,699	9,320	36,019	19,152	6,921	26,073
Others	2,006	639	2,645	2,469	464	2,933
Total	2,560,566	34,159	2,594,725	2,589,786	29,280	2,619,066

8.17 Interbank and money market items (liabilities)

(Unit: Million Baht)

Consolidated financial statements						
	31 December 2022			31 December 2021		
	At call	Term	Total	At call	Term	Total
Domestic						
Bank of Thailand and Financial						
Institutions Development Fund	144	25,608	25,752	146	31,061	31,207
Commercial banks	953	129,048	130,001	3,340	107,468	110,808
Specialised financial institutions	736	40,501	41,237	779	53,242	54,021
Other financial institutions	49,091	13,733	62,824	62,390	13,213	75,603
Total domestic items	50,924	208,890	259,814	66,655	204,984	271,639
Foreign						
US Dollar	785	15,561	16,346	246	23,879	24,125
Euro	16	-	16	393	-	393
Other	347	576	923	187	-	187
Total foreign items	1,148	16,137	17,285	826	23,879	24,705
Total	52,072	225,027	277,099	67,481	228,863	296,344

(Unit: Million Baht)

Separate financial statements						
	31 December 2022			31 December 2021		
	At call	Term	Total	At call	Term	Total
Domestic						
Bank of Thailand and Financial						
Institutions Development Fund	144	25,608	25,752	146	31,061	31,207
Commercial banks	296	126,849	127,145	594	107,469	108,063
Specialised financial institutions	736	39,501	40,237	779	52,241	53,020
Other financial institutions	49,091	12,983	62,074	62,390	13,013	75,403
Total domestic items	50,267	204,941	255,208	63,909	203,784	267,693
Foreign						
US Dollar	785	15,561	16,346	246	23,879	24,125
Euro	16	-	16	393	-	393
Other	347	576	923	187	-	187
Total foreign items	1,148	16,137	17,285	826	23,879	24,705
Total	51,415	221,078	272,493	64,735	227,663	292,398

8.18 Financial liabilities measured at fair value through profit or loss

(Unit: Million Baht)

	Consolidated and separate financial statements	
	31 December 2022	31 December 2021
Financial liabilities held for trading		
Provision for returning securities	2,319	-
Total	2,319	-

8.19 Debt issued and borrowings

As at 31 December 2022 and 2021, debt issued and borrowings are classified as follows:

(Unit: Million Baht)

				Consolidated financial statements					
				31 December 2022			31 December 2021		
	Currency	Interest rate	Maturity date	Domestic	Foreign	Total	Domestic	Foreign	Total
		(%)							
Long term bonds									
2015	Baht	3.90 - 4.00	2025	2,000	-	2,000	2,695	-	2,695
2016	Baht	3.00 - 4.00	2023 - 2026	8,070	-	8,070	8,070	-	8,070
2017	Baht	3.50 - 3.80	2027	5,500	-	5,500	10,808	-	10,808
2018	Baht	2.35 - 3.83	2023 - 2028	4,128	-	4,128	4,128	-	4,128
2019	Baht	2.60 - 3.20	2024 - 2029	3,615	-	3,615	4,237	-	4,237
2020	Baht	2.23 - 2.65	2023 - 2030	1,700	-	1,700	3,414	-	3,414
2021	Baht	1.17 - 2.90	2023 - 2031	9,130	-	9,130	9,073	-	9,073
2022	Baht	1.59 - 3.38	2024 - 2027	10,127	-	10,127	-	-	-
KTB subordinated debentures									
No.1/2017	Baht	3.40	2027	-	-	-	20,139	-	20,139
No.1/2019	Baht	3.70	2029	24,000	-	24,000	24,000	-	24,000
No.1/2022	Baht	3.25	2032	18,073	-	18,073	-	-	-
Additional Tier 1									
subordinated notes	US Dollar	4.40	No maturity	-	18,627	18,627	-	19,698	19,698
Structured notes	US Dollar	0.65 - 1.10	2023 - 2028	24,086	-	24,086	24,989	-	24,989
Structured notes	Baht	0.00 - 4.40 ⁽¹⁾	2023 - 2032	22,111	-	22,111	2,566	-	2,566
Structured notes	Yen	4.00	2023	5	-	5	-	-	-
Total				132,545	18,627	151,172	114,119	19,698	133,817

⁽¹⁾ Thai Baht structured notes include a Callable note, which disclose at base interest rate only.

(Unit: Million Baht)

				Separate financial statements					
				31 December 2022			31 December 2021		
	Currency	Interest rate	Maturity date	Domestic	Foreign	Total	Domestic	Foreign	Total
		(%)							
KTB subordinated debentures									
No.1/2017	Baht	3.40	2027	-	-	-	20,139	-	20,139
No.1/2019	Baht	3.70	2029	24,000	-	24,000	24,000	-	24,000
No.1/2022	Baht	3.25	2032	18,073	-	18,073	-	-	-
Additional Tier 1									
subordinated notes	US Dollar	4.40	No maturity	-	18,627	18,627	-	19,698	19,698
Structured notes	US Dollar	0.65 - 1.10	2023 - 2028	24,086	-	24,086	24,989	-	24,989
Structured notes	Baht	0.00 - 4.40 ⁽¹⁾	2023 - 2032	22,111	-	22,111	2,566	-	2,566
Structured notes	Yen	4.00	2023	5	-	5	-	-	-
Total				88,275	18,627	106,902	71,694	19,698	91,392

⁽¹⁾ Thai Baht structured notes include a Callable note, which disclose at base interest rate only.

Structured notes

On 8 March 2021, the Bank issued and offered 7 structured notes totaling US Dollar 748 million. The notes have step fixed interest rate with payment of interest to be made quarterly until maturity and the payment of principle is linked with the USDTHB FX rate. The notes mature in the year 2022 to 2028 and have tenors of 1 - 7 years. There is an option to early redeem the notes that subject to the conditions of the Bank, without the holder's consent. During the year, there is one structured note that reached its maturity.

On 16 June and 9 July 2021, the Bank issued and offered Baht 741 million of structured notes, comprising 741,000 units of Baht 1,000 each. The notes mature in the year 2026 and have tenors of 5 years. The payout is linked with the Solactive Luxury Dynamic Factors 10% Daily Risk Control Index. There is an option to early redeem the notes by both the holders and the Bank, according to the conditions of the Bank.

On 14 September 2021, the Bank issued and offered Baht 1,825 million of structured notes, comprising 1,825,000 units of Baht 1,000 each. The notes mature in the year 2026 and have tenors of 5 years. The payout is linked with the iSTOXX® Global Transformation IXGTRSND Index. There is an option to early redeem the notes by both the holders and the Bank, according to the conditions of the Bank.

On 27 January 2022, the Bank issued and offered Baht 1,340 million of structured notes, comprising 1,340,000 units of Baht 1,000 each. The notes mature in the year 2027 and have tenors of 5 years. The payout is linked with the Solactive Global Artificial Intelligence ESG 5% AR (SOAIESG5) index. There is an option to early redeem the notes by both the holders and the Bank, according to the conditions of the Bank.

During May to December 2022, the Bank issued and offered structured notes in US Dollars and in Thai Baht, totaling of US Dollar 4 million and Baht 3,646 million, respectively. The notes mature in the year 2024 to 2032 and have tenors of 1.5 - 10 years. The payout is linked with J.P. Morgan Mozaic XRP Index (MOZAIC XRP). There is an option to early redeem the notes by both holders and the Bank, according to the conditions of the Bank.

During June to November 2022, the Bank issued and offered 1,403 structured notes of “Krungthai Inverse Floater” totaling Baht 11,737 million, comprising 11,736,700 units of Baht 1,000 each. The notes have inverse floating interest rate by linking with THOR interest rate with payment of interest to be made quarterly until maturity. The notes mature in the year 2023 to 2025 and have tenors of 1 - 3 years. There is an option to early redeem the notes by both holders and the Bank, according to the conditions of the Bank.

On November 2022, the Bank issued and offered 232 structured notes of “Krung Thai Step-up Callable Bonus Notes” totaling Baht 3,240 million, comprising 3,239,900 units of Baht 1,000 each. The notes mature in the year 2027 and have tenors of 5 years. The notes have fixed distribution rate by starting at 1.65 percent per annum and highest at 4.40 percent per annum. The notes have bonus interest in the first year which the Bank pays an additional interest by referring to 3M THB THOR. There is an option to early redeem the notes after 1 year, or after that which is subject to the conditions of the Bank.

Subordinated notes

On 25 March 2021, the Bank issued and offered US Dollar 600 million of subordinated notes qualified to be included in Additional Tier 1 capital of the Bank, containing the write-down/write-off provision, in accordance with the terms thereof for sales to foreign investors according to the resolution of the Annual General Meeting of shareholders held on 11 April 2012. The notes have no maturity and no fixed redemption date. The Bank has a right to early redeem after 5 years from the issue date, by getting the approval from the BOT.

The notes have fixed distribution rate of 4.40 percent per annum until the first call date. Then, the distribution rate is subject to change to reference rate every 5 years. The Bank received net proceeds from the issued and offered of the subordinated notes amounting to US Dollar 600 million, which the BOT had approved to include in Additional Tier 1 capital from 25 March 2021. The Bank presented such subordinated notes as financial liabilities by taking into consideration both contractual obligation and legal rights as stated in the Offering Circular of the notes.

Subordinated debentures

The Bank issued Baht 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 quarterly 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 which is subject to the conditions of the Bank, without the holder's consent. On 23 November 2022, the Bank has already redeemed such subordinated debentures.

The Bank issued Baht 24,000 million of subordinated debenture No.1/2019, comprising 24 million units of Baht 1,000 each. The debenture has a fixed interest rate of 3.70 percent per annum, with payment of interest to be made quarterly until maturity, and a tenor of 10 years, maturing in 2029. There is an option to early redeem the debentures after 5 years, or after that which is subject to the conditions of the Bank, without the holder's consent.

The Bank issued Baht 18,080 million of subordinated debenture No.1/2022, comprising 18.08 million units of Baht 1,000 each. The debenture has a fixed interest rate of 3.25 percent per annum, with payment of interest to be made every three months until maturity, and a tenor of 10 years, maturing in 2032. There is an option to early redeem the debentures after 5 years, or after that which is subject to the conditions of the Bank, without the holder's consent.

8.20 Provisions

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Allowance for expected credit losses on loan commitments and financial guarantee contracts	4,352	4,705	4,352	4,705
Provisions for employee benefits - post employment	11,656	13,761	10,101	12,240
Provisions for contingent losses from legal case	530	436	530	436
Other provisions	906	1,462	944	1,456
Total provisions	17,444	20,364	15,927	18,837

8.20.1 Allowance for expected credit losses on loan commitments and financial guarantee contracts

As at 31 December 2022 and 2021, 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 2022	
	Loan commitments and financial guarantee contracts	Allowance for expected credit losses
Financial assets where there has not been a significant increase in credit risk (Performing)	1,177,651	1,518
Financial assets where there has been a significant increase in credit risk (Under-Performing)	119,206	2,089
Financial assets that are credit-impaired (Non-Performing)	9,047	745
Total	1,305,904	4,352

(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
Financial assets where there has been a significant increase in credit risk (Under-Performing)	120,527
Financial assets that are credit-impaired (Non-Performing)	6,370
Total	1,387,025

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 2022				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Beginning balance	1,945	2,244	516	4,705
Changes due to staging of financial assets	545	(557)	12	-
Changes due to remeasurement of loss allowance	(925)	516	114	(295)
New issued obligations to grant credit/guarantees	159	187	161	507
Derecognition of financial assets	(206)	(301)	(58)	(565)
Ending balance	1,518	2,089	745	4,352

(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)	(242)	(481)
Ending balance	1,945	2,244	516	4,705

8.20.2 Provisions for employee benefits - post employment

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Defined benefit obligation at the beginning of the year	13,761	15,123	12,240	13,582
Included in profit or loss:				
Current service cost	822	999	687	835
Interest cost	323	257	290	233
Curtailment	(1,151)	(863)	(1,151)	(863)
Included in other comprehensive income:				
Actuarial (gains) losses arising from:				
- Demographic assumptions changes	-	78	-	82
- Financial assumptions changes	(894)	(888)	(779)	(773)
- Experience adjustments	(215)	(45)	(205)	(66)
(Transferred out) / Transferred in	-	-	(86)	(11)
Benefits paid during the year	(990)	(900)	(895)	(779)
Defined benefit obligation at the end of the year	11,656	13,761	10,101	12,240

As at 31 December 2022 and 2021, the Bank and its subsidiaries expect to pay Baht 710 million and Baht 816 million, respectively, in long-term employee benefits during the next one year (separate financial statements: Baht 587 million and Baht 705 million, respectively).

The principal actuarial assumptions

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Discount rate (Percent per annum)	1.98 - 3.65	1.31 - 3.19	2.75	2.14
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 2022	31 December 2021	31 December 2022	31 December 2021
Discount rate				
Increase 1%	(1,131)	(1,210)	(996)	(1,076)
Decrease 1%	1,346	1,439	1,189	1,284
Future salary increase rate				
Increase 1%	959	1,124	823	991
Decrease 1%	(829)	(970)	(708)	(852)

As at 31 December 2022 and 2021, the weighted average durations of the liabilities for long-term employee benefits obligation of the Bank and its subsidiaries are 5 - 21 years and 5 - 22 years, respectively (separate financial statements: 10 years and 11 years, respectively).

8.20.3 Provisions for contingent losses from legal case

(Unit: Million Baht)

	Consolidated and separate financial statements	
	31 December 2022	31 December 2021
Balance at the beginning of the year	436	570
Increase during the year	252	159
Utilised	(155)	(270)
Reversal of provisions	(3)	(23)
Balance at the end of the year	530	436

8.21 Other liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Accrued interest expenses	3,644	3,571	3,366	3,301
Accrued expenses	15,115	12,306	14,029	10,476
Interbranch account	1,619	15	1,619	15
Suspense account creditors	4,165	4,783	3,622	4,241
Tax payables	4,067	3,523	3,357	2,616
Deferred revenue for reward points	2,587	2,481	-	-
Settle account between the Bank and other financial institutions	1,547	759	1,350	368
Advanced account	11,403	6,926	11,403	6,926
Cheque in transit	1,369	5,264	1,369	5,264
Payables from trading securities	3,862	1,995	3,862	1,995
Other liabilities	24,985	16,701	23,448	16,084
Total	74,363	58,324	67,425	51,286

8.22 Share capital

8.22.1 Ordinary shares

As at 31 December 2022 and 2021, the Bank's authorised share capital and issued and paid-up share capital - ordinary shares was 13,976,061,250 shares.

8.22.2 Preferred shares

The 5.5 million of preferred shares are fully paid-up. Preferred share has more preference over the ordinary share. Apart from entitling to the same voting rights and claims on dividends as ordinary shares, it may enjoy preferential rights to a special dividend at a 3 percent fixed rate per annum prior to the ordinary shares when paid.

8.22.3 As at 31 December 2022 and 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.

8.23 Other components of equity

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Surplus on revaluation of assets	17,764	17,870	17,400	17,507
Less: The effect of deferred tax liabilities	(3,553)	(3,574)	(3,480)	(3,502)
Net surplus on revaluation of assets	14,211	14,296	13,920	14,005
Revaluation surplus (deficit) on investments				
Debt securities	(2,585)	(612)	(2,566)	(603)
Equity securities	11,037	12,249	11,037	12,249
Expected credit losses	944	960	944	960
Total revaluation surplus (deficit) on investments	9,396	12,597	9,415	12,606
Add (less): The effect of deferred tax liabilities	(1,879)	(2,519)	(1,883)	(2,521)
Net revaluation surplus (deficit) on investments	7,517	10,078	7,532	10,085
Hedge reserves	377	84	377	84
Less: The effect of deferred tax liabilities	(75)	(17)	(75)	(17)
Net hedge reserves	302	67	302	67
Gains (losses) from translating the financial statements	18	73	18	73
Share of other comprehensive income of associated companies	(4,141)	6,012	-	-
Total	17,907	30,526	21,772	24,230

8.24 Legal reserve

In accordance with the Public Limited Company Act, the Bank is required to appropriate to its legal reserve not less than 5 percent of its net profit after deducting accumulated losses brought forward (if any), until the legal reserve reaches an amount not less than 10 percent of authorised share capital. The Bank has already set aside the full amount of its legal reserve.

8.25 Dividends

During the years ended 31 December 2022 and 2021, the Bank has dividends payments as follow:

(Unit: Million Baht)

Dividends	Approved by	Total dividends		Dividend per share		Payment date
		Preferred shares	Ordinary shares	Preferred shares	Ordinary shares	
Dividends for the year 2021	Annual General Meeting of the Shareholders on 8 April 2022	3	5,842	0.5725	0.418	6 May 2022
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

8.26 Commitment and contingent liabilities

8.26.1 Leases and service commitment

As at 31 December 2022, the Bank and its subsidiaries have future rental and service charges under non-cancellable leases which have not yet effective, long-term lease value and long term service contracts as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Within 1 year	Over 1 - 5 years	Within 1 year	Over 1 - 5 years
Non-cancellable leases which have not yet effective	20	1	20	-
Long term leases	192	81	74	66
Long term service contracts	1,944	1,283	1,174	789
Total	2,156	1,365	1,268	855

8.26.2 Contingent liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Avals to bills	6,373	7,185	6,373	7,185
Guarantees of loans	32,494	36,834	32,494	36,834
Liabilities under unmatured import bills	6,880	8,956	6,880	8,956
Letters of credit	23,819	36,799	23,819	36,799
Banks' liability under acceptances	18	16	18	16
Other contingencies				
Unused overdraft credit lines	146,452	154,677	146,452	154,677
Other guarantees	192,528	193,277	192,528	193,277
Others	181,513	172,925	5,133	5,090
Total	590,077	610,669	413,697	442,834

As at 31 December 2022 and 2021, the Bank has contingent liabilities relating to significant lawsuits brought against the Bank of Baht 18,873 million and Baht 18,313 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 2022 and 2021, the Bank has guarantees for transactions of the Bank of Baht 2,729 million and Baht 3,708 million, respectively.

8.27 Assets with obligations and restrictions

(Unit: Million Baht)

	Consolidated and separate financial statements	
	31 December 2022	31 December 2021
Government and state enterprise bonds pledged as collateral		
Court collateral	493	456
Repurchase agreements	81,729	56,601
Collateral for Student Loan Fund	53	55
Foreign debt securities as collateral		
Repurchase agreements	14,724	24,507
Properties for sale (subject to purchase or sell agreements)	786	1,655
Properties for sale (debtor is granted the right to buy back or first right for this portion)	17,329	14,165
Total	115,114	97,439

8.28 Related party transactions

8.28.1 The Bank has the following related parties transactions with the Bank's executives (First Vice President and above) including related persons who together with these employees as follows:

(Unit: Million Baht)

	Separate financial statements	
	31 December 2022	31 December 2021
Loans	112	131
Deposits	420	351

(Unit: Million Baht)

	Separate financial statements	
	For the years ended 31 December	
	2022	2021
Interest income	4	4
Interest expense	2	2

8.28.2 During the year, the Bank and its subsidiaries had significant business transactions with their related parties. These transactions are in the ordinary course of businesses. Below is a summary of those significant transactions.

(Unit: Million Baht)

For the years ended 31 December					
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2022	2021	2022	2021	
(For the year 2022)					
<u>Transactions occurred during the periods</u>					
Subsidiary companies					
Purchase of debt securities	-	-	2,451	2,810	At market price
Sales of debt securities	-	-	17,304	15,110	At market price
Purchase of equity securities	-	-	491	244	At market price
Sales of equity securities	-	-	17	664	At market price
Associated company					
Purchase of debt securities	11,309	25,363	11,309	25,363	At market price
Sales of debt securities	25,070	37,652	25,070	37,652	At market price
Purchase of equity securities	46	108	46	108	At market price
Sales of equity securities	634	104	634	104	At market price
Entities with parent company or common directors or key management personnel					
Purchase of debt securities	750	100	750	100	At market price

8.28.3 Interbank and money market items (assets), loans, obligations, derivatives, and other assets

The balances of interbank and money market items (assets), loans, obligations, derivatives, and other assets with related parties, which are under normal bank pricing policies, as at 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Interbank and money market items (assets)				
<u>Associated companies</u>				
Krungthai-AXA Life Insurance Plc.	4,481	1,287	4,481	1,287
Krungthai XSpring Securities Co., Ltd. ⁽²⁾	550	551	550	551
<u>Less</u> Allowance for expected credit losses	(46)	(260)	(46)	(260)
Total	4,985	1,578	4,985	1,578
Loans				
<u>Subsidiaries</u>				
KTB General Services and Security Co., Ltd.	-	-	9	8
KTB Computer Services Co., Ltd.	-	-	1,852	1,967
KTB Leasing Co., Ltd.	-	-	1,100	1,100
Krungthai Card Plc.	-	-	10,130	5,130
<u>Less</u> Allowance for expected credit losses	-	-	(247)	(19)
Total	-	-	12,844	8,186
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd. ⁽¹⁾	5,370	5,373	5,370	5,373
Krungthai Panich Insurance Plc.	1	1	1	1
<u>Less</u> Allowance for expected credit losses	(25)	(26)	(25)	(26)
Total	5,346	5,348	5,346	5,348
Entities with parent company or common directors or key management personnel	23,056	21,955	23,056	21,955
<u>Less</u> Allowance for expected credit losses	(105)	(116)	(105)	(116)
Total	22,951	21,839	22,951	21,839
Entities in which the Bank held shares from TDR from 10 percent or more	8,718	8,256	8,718	8,256
<u>Less</u> Allowance for expected credit losses	(3,228)	(4,659)	(3,228)	(4,659)
Total	5,490	3,597	5,490	3,597

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Commitments				
<u>Subsidiaries</u>				
KTB General Services and Security Co., Ltd.	-	-	33	46
KTB Computer Services Co., Ltd.	-	-	5	5
Krungthai Card Plc.	-	-	1	1
<u>Associated companies</u>				
Krungthai Panich Insurance Plc.	5	5	5	5
Entities with common directors or key management personnel	59	142	59	142
Entities in which the Bank held shares from TDR from 10 percent or more	1	1	1	1
Derivatives (Notional amount)				
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd. ⁽¹⁾	328	530	328	530
Krungthai-AXA Life Insurance Plc.	10,475	15,822	10,475	15,822
Krungthai XSpring Securities Co., Ltd. ⁽²⁾	-	1	-	1
Krungthai Panich Insurance Plc.	41	22	41	22
Other assets				
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	9	13
KTB Leasing Co., Ltd.	-	-	-	1
Krungthai Card Plc.	-	-	644	592
Krung Thai Asset Management Plc.	-	-	105	80
Infinitas by Krungthai Co., Ltd.	-	-	973	636
KTB General Services and Securities Co., Ltd.	-	-	1	1
Arise by Infinitas Co., Ltd.	-	-	79	27
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd. ⁽¹⁾	8	-	7	-
Krungthai-AXA Life Insurance Plc.	207	176	205	174
Krungthai Panich Insurance Plc.	63	45	56	37
Krungthai XSpring Securities Co., Ltd. ⁽²⁾	1	1	-	-
Entities with parent company or common directors or key management personnel	1,278	2,452	1,278	2,452

(1) On 6 January 2022, Krung Thai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd.

(2) On 4 April 2022, Krungthai Zmico Securities Co., Ltd. changed its name to Krungthai XSpring Securities Co., Ltd.

8.28.4 Deposits, interbank and money market items (liabilities) and other liabilities

The balances of deposits, interbank and money market items (liabilities) and other liabilities to related parties, which are under normal bank pricing policies, as at 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Deposits				
<u>Parent company</u>				
Financial Institutions Development Fund	-	20	-	20
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	269	364
KTB General Services and Security Co., Ltd.	-	-	698	941
KTB Computer Services Co., Ltd.	-	-	442	53
KTB Leasing Co., Ltd.	-	-	5	343
KTB Advisory Co., Ltd.	-	-	3	3
Krungthai Card Plc.	-	-	1,779	1,632
Infinitas by Krungthai Co., Ltd.	-	-	1,238	700
Arise by Infinitas Co., Ltd.	-	-	76	300
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd. ⁽¹⁾	-	165	-	165
Krungthai Panich Insurance Plc.	146	144	146	144
Entities with parent company or common directors or key management personnel	10,563	17,268	10,563	17,268
Entities in which the Bank held shares in aggregate from 10 to 20 percent	70	2	70	2
Entities in which the Bank held shares from TDR from 10 percent or more	364	353	364	353
Interbank and money market items (liabilities)				
<u>Subsidiary</u>				
Krung Thai Asset Management Plc.	-	-	343	458
<u>Associated companies</u>				
Krungthai-AXA Life Insurance Plc.	2,877	3,209	2,877	3,209
Krungthai XSpring Securities Co., Ltd. ⁽²⁾	102	24	102	24
Debt issued and borrowing				
<u>Associated companies</u>				
Krungthai Panich Insurance Plc.	50	20	50	20

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Other liabilities				
<u>Subsidiaries</u>				
KTB General Services and Security Co., Ltd.	-	-	338	295
KTB Computer Services Co., Ltd.	-	-	997	905
Krungthai Card Plc.	-	-	5	1
KTB Law Co., Ltd.	-	-	107	92
Infinitas by Krungthai Co., Ltd.	-	-	926	168
<u>Associated companies</u>				
Krungthai Panich Insurance Plc.	5	11	5	11
Krungthai-AXA Life Insurance Plc.	11	11	4	4
National ITMX Co., Ltd.	61	46	61	46

(1) On 6 January 2022, Krung Thai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd.

(2) On 4 April 2022, Krungthai Zmico Securities Co., Ltd. changed its name to Krungthai XSpring Securities Co., Ltd.

8.28.5 Income and expenses

The Bank has significant income and expenses with related parties as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interest income				
<u>Subsidiaries</u>				
KTB Computer Services Co., Ltd.	-	-	41	39
KTB Leasing Co., Ltd.	-	-	12	10
Krungthai Card Plc.	-	-	54	29
<u>Associated companies</u>				
Krungthai XSpring Securities Co., Ltd. ⁽²⁾	5	5	5	5
Krungthai Mizuho Leasing Co., Ltd. ⁽¹⁾	79	58	79	58
Krungthai-AXA Life Insurance Plc.	22	6	22	6
Entities with parent company or common directors or key management personnel	657	396	657	396
Entities in which the Bank held shares from TDR 10 percent or more	41	29	41	29
Interest expenses				
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	1	1
KTB General Services and Security Co., Ltd.	-	-	2	3
Krungthai Card Plc.	-	-	2	1
Krung Thai Asset Management Plc.	-	-	1	1
Infinitas by Krungthai Co., Ltd.	-	-	1	-

(Unit: Million Baht)

For the years ended 31 December

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interest expenses (continued)				
<u>Associated companies</u>				
Krungthai-AXA Life Insurance Plc.	40	63	40	63
Krungthai Mizuho Leasing Co., Ltd. ⁽¹⁾	-	1	-	-
Krungthai XSpring Securities Co., Ltd. ⁽²⁾	1	-	1	-
Entities with parent company or common directors or key management personnel	87	50	87	50
Entities in which the Bank held shares from TDR 10 percent or more	1	1	1	1
Other income				
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	3	-
KTB General Services and Security Co., Ltd.	-	-	12	10
KTB Leasing Co., Ltd.	-	-	5	14
Krung Thai Asset Management Plc.	-	-	582	1,089
Krungthai Card Plc.	-	-	144	131
Infinitas by Krungthai Co., Ltd.	-	-	107	39
Arise by Infinitas Co., Ltd.	-	-	29	9
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd. ⁽¹⁾	2	6	2	6
Krungthai XSpring Securities Co., Ltd. ⁽²⁾	6	10	2	7
Krungthai Panich Insurance Plc.	457	422	435	400
Krungthai-AXA Life Insurance Plc.	2,203	2,112	2,153	2,042
Other expenses				
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	216	199
KTB General Services and Security Co., Ltd.	-	-	1,997	2,265
KTB Computer Services Co., Ltd.	-	-	4,246	3,859
Krungthai Card Plc.	-	-	101	6
Infinitas by Krungthai Co., Ltd.	-	-	41	37
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd. ⁽¹⁾	16	17	-	-
Krungthai XSpring Securities Co., Ltd. ⁽²⁾	9	4	7	3
National ITMX Co., Ltd.	576	407	576	407
Krungthai-AXA Life Insurance Plc.	75	78	-	-
Krungthai Panich Insurance Plc.	15	15	-	-

(1) On 6 January 2022, Krung Thai IBJ Leasing Co., Ltd. changed its name to Krungthai Mizuho Leasing Co., Ltd.

(2) On 4 April 2022, Krungthai Zmico Securities Co., Ltd. changed its name to Krungthai XSpring Securities Co., Ltd.

8.28.6 The Bank and its subsidiaries have no compensation or other benefits, either monetary or non-monetary, to directors and executives, except the benefits normally paid as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Short-term employee benefits	1,235	1,160	877	793
Post-employment benefits	92	86	79	77
Total	1,327	1,246	956	870

8.28.7 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 4,125 million and Baht 3,728 million for the years ended 31 December 2022 and 2021, 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 121 million and Baht 131 million for the years ended 31 December 2022 and 2021, 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 of Baht 23 million and Baht 21 million for the years ended 31 December 2022 and 2021, respectively. Moreover, the Bank assigned the company to provide other legal services to the Bank and incurred service charges of Baht 193 million and Baht 178 million for the years ended 31 December 2022 and 2021, respectively.
- 3) KTB General Services and Security Co., Ltd. ("KTBSGS") is assigned by the Bank to provide collection and delivery services for all cash, foreign exchange and financial instruments, and the Bank's asset. KTBSGS also manages Krung Thai Bank Training Center and the Bank's other buildings. The Bank incurred service charges of Baht 1,997 million and Baht 2,265 million for the years ended 31 December 2022 and 2021, 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 41 million and Baht 37 million for the years ended 31 December 2022 and 2021, respectively. During the year ended 31 December 2022, the Bank recognises intangible assets which internally generate by the company amounting to Baht 3,668 million.

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 107 million and Baht 39 million for the years ended 31 December 2022 and 2021, respectively.

- 5) The Bank generated fee income from service with its subsidiaries amounting to Baht 882 million and Baht 1,290 million for the years ended 31 December 2022 and 2021, respectively.
- 6) The Bank generated premises rental income from its subsidiaries of Baht 1 million and Baht 2 million for the years ended 31 December 2022 and 2021, 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 2,592 million and Baht 2,455 million for the years ended 31 December 2022 and 2021, respectively, at the rates as mutually agreed.

8.29 Significant financial position and operations classified by domestic and foreign business segment

8.29.1 Financial position classified by business segment

(Unit: Million Baht)

	Consolidated financial statements							
	31 December 2022				31 December 2021			
	Domestic business	Foreign branches business	Elimination	Total	Domestic business	Foreign branch business	Elimination	Total
Total assets	3,575,015	25,682	(8,287)	3,592,410	3,538,356	23,146	(4,758)	3,556,744
Interbank and money market items - net	545,177	5,764	-	550,941	460,622	8,594	-	469,216
Financial assets measured at fair value through profit or loss	33,568	-	-	33,568	18,039	-	-	18,039
Investments - net*	288,608	767	-	289,375	362,785	1,232	-	364,017
Loans to customers and accrued interest receivables - net	2,433,344	10,488	-	2,443,832	2,468,221	7,999	-	2,476,220
Deposits	2,587,755	2,481	-	2,590,236	2,612,252	2,495	-	2,614,747
Interbank and money market items	277,271	1,938	(2,110)	277,099	296,350	14	(20)	296,344
Financial liabilities measured at fair value through profit or loss	2,319	-	-	2,319	-	-	-	-
Debt issued and borrowings	130,435	20,737	-	151,172	114,119	19,698	-	133,817

* Includes investments in subsidiaries and associated companies.

(Unit: Million Baht)

Separate financial statements								
31 December 2022					31 December 2021			
	Domestic business segment	Foreign branches business segment	Elimination	Total	Domestic business segment	Foreign branches business segment	Elimination	Total
Total assets	3,484,934	25,682	(8,287)	3,502,329	3,444,534	23,146	(4,758)	3,462,922
Interbank and money market items - net	544,191	5,764	-	549,955	460,238	8,594	-	468,832
Financial assets measured at fair value through profit or loss	33,568	-	-	33,568	18,307	-	-	18,307
Investments - net*	287,963	767	-	288,730	351,932	1,232	-	353,164
Loans to customers and accrued interest receivables - net	2,350,789	10,488	-	2,361,277	2,393,464	7,999	-	2,401,463
Deposits	2,592,244	2,481	-	2,594,725	2,616,571	2,495	-	2,619,066
Interbank and money market items	272,666	1,938	(2,111)	272,493	292,404	14	(20)	292,398
Financial liabilities measured at fair value through profit or loss	2,319	-	-	2,319	-	-	-	-
Debt issued and borrowings	86,165	20,737	-	106,902	71,694	19,698	-	91,392

* Includes investments in subsidiaries and associated companies.

8.29.2 Operations classified by business segment

(Unit: Million Baht)

Consolidated financial statements								
For the years ended 31 December								
2022					2021			
	Domestic business segment	Foreign branches business segment	Elimination	Total	Domestic business segment	Foreign branches business segment	Elimination	Total
Interest income	112,992	1,574	(1,091)	113,475	104,454	1,087	(709)	104,832
Interest expenses	(22,808)	(1,353)	1,091	(23,070)	(21,535)	(634)	709	(21,460)
Interest income - net	90,184	221	-	90,405	82,919	453	-	83,372
Fees and service income - net	20,259	57	-	20,316	19,968	54	-	20,022
Other operating income	14,540	130	-	14,670	12,398	(6)	-	12,392
Other operating expenses and allowance for expected credit loss	(78,900)	(208)	-	(79,108)	(85,131)	(124)	-	(85,255)
Profit from operating before income tax expenses	46,083	200	-	46,283	30,154	377	-	30,531

(Unit: Million Baht)

Separate financial statements								
For the years ended 31 December								
2022				2021				
	Domestic business segment	Foreign branches business segment	Elimination	Total		Domestic business segment	Foreign branches business segment	Total
Interest income	97,923	1,574	(1,091)	98,406		90,289	1,087	90,667
Interest expenses	(21,498)	(1,353)	1,091	(21,760)		(20,178)	(634)	(20,103)
Interest income - net	76,425	221	-	76,646		70,111	453	70,564
Fees and service income - net	15,825	57	-	15,882		15,698	54	15,752
Other operating income	13,194	130	-	13,324		11,037	(6)	11,031
Other operating expenses and allowance for expected credit loss	(67,011)	(208)	-	(67,219)		(73,391)	(124)	(73,515)
Profit from operating before income tax expenses	38,433	200	-	38,633		23,455	377	23,832

8.30 Operations classified by operating segment

Segment definition

The Bank organises segments for internal management purposes, with the Management Committee of each segment being the chief operating decision-maker (CODM). Three reportable segments have been identified based on customer type and nature of business:

- 1) Retail banking segment; develops financial products and services, and also provides services for individual customers relating to deposits, loans, payment for goods and services as well as sale of products released by the Bank's subsidiaries and business alliances through its network of branches nationwide.
- 2) Corporate banking segment; provides credit facilities and financial services to corporate clients.
- 3) Treasury and investment segment; controls the Bank's financial structure to maintain appropriate levels and enable the generation of profit from the Bank's equity investment, international business and excess liquidity, and also supervises overseas branches and companies in which the Bank has invested, among others.

Other segments comprise of middle offices, back offices, subsidiaries and associated companies.

Accounting procedures for segment reporting

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 2022						
	Retail banking	Corporate banking	Treasury and investment	Support and others	Elimination	Total
Total operating income	65,347	32,992	8,518	32,856	(14,322)	125,391
Total expenses and tax expenses (excluding expected credit losses)	(33,514)	(8,114)	(3,040)	(30,718)	11,539	(63,847)
Expected credit losses	(5,711)	(14,263)	317	(4,908)	227	(24,338)
Net profit (losses)	26,122	10,615	5,795	(2,770)	(2,556)	37,206

(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

Assets and liabilities for segment of the Bank and its subsidiaries as at 31 December 2022 and 2021 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 2022:						
Segment assets	1,082,822	1,430,339	937,799	165,487	(24,028)	3,592,419
Segment liabilities	1,855,874	865,768	288,401	213,697	(23,893)	3,199,847
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

Information about major customers

During the years ended 31 December 2022 and 2021, the Bank and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

8.31 Interest income

Interest income for the years ended 31 December 2022 and 2021 consisted of the following:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interbank and money market items	4,338	2,954	4,338	2,954
Investment and trading transactions	217	345	217	345
Investment in debt securities	4,246	3,437	4,263	3,457
Loans to customers	104,302	97,932	89,327	83,851
Hire-purchase and finance leases	111	104	-	-
Others	261	60	261	60
Total interest income	113,475	104,832	98,406	90,667

8.32 Interest expenses

Interest expenses for the years ended 31 December 2022 and 2021 consisted of the following:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deposits	9,651	10,302	9,659	10,308
Interbank and money market items	1,904	1,607	1,843	1,566
Contributions to Bank of Thailand (BOT)	6,176	5,888	6,176	5,888
Contributions to Deposit Protection Agency (DPA)	267	257	267	257
Debt issued				
- Subordinated debentures	1,785	1,409	1,785	1,409
- Others	3,010	1,905	1,776	608
Borrowings	1	1	1	1
Borrowing fees	10	10	-	-
Others	266	81	253	66
Total interest expenses	23,070	21,460	21,760	20,103

8.33 Fees and service income

Fees and service income for the years ended 31 December 2022 and 2021 consisted of the following:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Fees and service income				
Acceptance, aval and guarantees	1,658	1,608	1,658	1,608
ATM and electronic banking services	11,253	11,811	11,253	11,811
Management fees and Bancassurance Products	6,032	6,948	3,808	4,016
Others	9,153	7,943	4,727	4,115
Total fees and service income	28,096	28,310	21,446	21,550
Fees and service expenses	(7,780)	(8,288)	(5,564)	(5,799)
Net fees and service income	20,316	20,022	15,882	15,751

8.34 Net gains on financial instruments measured at fair value through profit or loss

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Gains (losses) on trading and foreign exchange transactions				
- Foreign exchange and foreign exchange element of derivatives contracts	6,008	3,643	6,008	3,642
- Interest rate element of derivatives contracts	(3,294)	(903)	(3,294)	(903)
- Debt securities	21	(606)	21	(608)
- Equity securities	184	(87)	184	(87)
- Others	150	921	150	921
Gains (losses) from hedge accounting				
- hedged items	2,164	499	2,164	499
Total	5,233	3,467	5,233	3,464

8.35 Net gains on investments

Net gains on investments for the years ended 31 December 2022 and 2021 consisted of the following:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Gains on derecognition of				
Investments in debt securities measured				
at fair value through other				
comprehensive income	239	711	239	711
Investments in subsidiaries	-	-	-	(199)
Total	239	711	239	512
Reversal of losses on impairment of				
Investments in subsidiaries and				
associated companies	-	-	133	586
Total	-	-	133	586
Total net gains on investments	239	711	372	1,098

8.36 Expected credit losses

Expected credit losses and gains or losses resulting from modification of terms for financial assets for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interbank and money market items (assets)	623	(453)	623	(453)
Investments in debt securities measured at amortised cost	(8)	(1)	(8)	(1)
Investments in debt securities measured at fair value through other comprehensive income	(15)	(8)	(15)	(8)
Loans to customers and accrued interest receivables				
- Expected credit losses	23,995	32,709	19,354	27,251
- Losses from modification of contracts	96	160	96	160
Total	24,691	32,407	20,050	26,949
Loan commitments and financial guarantee contracts	(353)	117	(353)	117
Total	24,338	32,524	19,697	27,066

8.37 Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to ordinary shareholders of the Bank (after deducting the preferred shares's portion and excluding other comprehensive income) by the weighted average number of ordinary shares issued during the year.

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Profit for the year attributable to equity holders of the Bank (after deducting preferred shares's portion) (Million Baht)	33,695	21,586	31,679	19,435
Earnings per share (Baht/share)	2.41	1.54	2.27	1.39
Weighted average number of ordinary shares (Million shares)	13,976	13,976	13,976	13,976

8.38 Provident fund

The Bank, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contributed to the fund monthly, at rates of 2 - 15 percent of their basic salaries, and the Bank and its subsidiaries contributed to the fund at stipulated rates. The fund will be paid to the employees upon termination of employment in accordance with the fund rules. During the years ended 31 December 2022 and 2021, the Bank and its subsidiaries contributed Baht 1,389 million and Baht 1,462 million, respectively, to the fund (separate financial statements: Baht 1,175 million and Baht 1,288 million, respectively).

8.39 Fair value of financial instruments

Financial assets and liabilities carried at fair value classified by the level of fair value hierarchy are as follows:

(Unit: Million Baht)

Consolidated financial statements								
31 December 2022					31 December 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value								
Financial assets								
Financial assets								
measured at fair value								
through profit or loss	343	33,225	-	33,568	804	17,235	-	18,039
Investments in debt								
securities measured at								
fair value through other								
comprehensive income	-	258,350	-	258,350	-	322,190	-	322,190
Investments in equity								
securities designated at								
fair value through other								
comprehensive income	15,905	1,320	530	17,755	16,832	917	504	18,253
Derivatives assets	-	83,170	-	83,170	-	52,660	-	52,660
Financial liabilities								
Financial liabilities								
measured at fair value								
through profit or loss	-	2,319	-	2,319	-	-	-	-
Derivatives liabilities	-	78,507	-	78,507	-	50,550	-	50,550

(Unit: Million Baht)

	Separate financial statements							
	31 December 2022				31 December 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value								
Financial assets								
Financial assets								
measured at fair value								
through profit or loss	343	33,225	-	33,568	804	17,503	-	18,307
Investments in debt								
securities measured at								
fair value through other								
comprehensive income	-	259,553	-	259,553	-	323,276	-	323,276
Investments in equity								
securities designated at								
fair value through other								
comprehensive income	15,905	1,317	530	17,752	16,832	915	504	18,251
Derivatives assets	-	83,170	-	83,170	-	52,660	-	52,660
Financial liabilities								
Financial liabilities								
measured at fair value								
through profit or loss	-	2,319	-	2,319	-	-	-	-
Derivatives liabilities	-	78,507	-	78,507	-	50,550	-	50,550

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	<ul style="list-style-type: none"> - 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) and market liquidity risk based on Bid-Offer Spread Adjustment.
Financial assets measured at fair value through profit or loss/Investments	<ul style="list-style-type: none"> - The fair value of marketable securities is based on the latest bid price of the last working day of the year. - The fair value of domestic debt securities is determined using the yield rates quoted by the Thai Bond Market Association and adjusted valuation in order to appropriately reflect market liquidity risk based on Bid - Offer Spread Adjustment. - The fair value of foreign currency debt securities is determined based on the latest published price obtained from reliable sources e.g. Bloomberg. - The fair value of unit trusts is determined from their net asset value - The fair value of investments in non -marketable equity securities is determined using their latest book value from the entity's financial statements.
Loans to customers	<ul style="list-style-type: none"> - The fair value of floating rate loans is assumed to approximate their book value, net of allowance for expected credit losses. - The fair value of fixed rate loans is determined by discounting the expected future cash flows at the interest rate of similar loans, net of allowance for expected credit losses and deferred revenue. - The fair value of fixed rate loans for which revenue recognition has discontinued is assumed to approximate their book value, net of allowance for expected credit losses or to approximate the amount expected to be derived from their sale.
Land, premises and equipment - land	<ul style="list-style-type: none"> - The fair value of land is determined by using the market comparison approach which is used whereby the buying and selling prices for assets with similar characteristics are obtained.

Deposits	<ul style="list-style-type: none"> - The fair value of payable on demand deposits, floating rate deposits or fixed rate deposits with not more than 1 year from the statement of financial position date remaining to maturity is assumed to approximate their book values. - The fair value of fixed rate deposits with more than 1 year from the statement of financial position date remaining to maturity is determined by discounting the expected future cash flows at the Bank's interest rate for similar deposits.
Interbank and money market items (liabilities)	<ul style="list-style-type: none"> - The fair value of interbank and money market items payable on demand, floating rate deposits or fixed rate deposits with not more than 1 year from the statement of financial position date remaining to maturity is assumed to approximate their book values. - The fair value of fixed rate interbank and money market items with more than 1 year from the statement of financial position date remaining to maturity is determined by discounting the expected future cash flows at the interest rate which reflect the Bank's interest rate risk and credit risk.
Liability payable on demand	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - The fair value of floating rate or fixed rate debt issues and borrowings with not more than 1 year from the statement of financial position date remaining to maturity is assumed to approximate their book values. - The fair value of fixed rate debt issues and borrowings with more than 1 year from the statement of financial position date remaining to maturity is determined by discounting the expected future cash flows at the interest rate which reflect the Bank's interest rate risk and credit risk.
Financial liabilities measured at fair value through profit or loss	<ul style="list-style-type: none"> - The fair value of financial liabilities measured at fair value through profit or loss is determined using in the same method as the fair value measurement of investments

During the current year, the Bank and its subsidiaries have no changes of the fair value hierarchy.

8.40 Policies on business transactions within the financial business group and risk management policies in relation to business transactions within the financial business group.

The BOT's Notifications No.SOR NOR SOR.5/2560 and SOR NOR SOR.9/2560 dated 27 April 2017, SOR NOR SOR.12/2561 dated 22 May 2018, SOR NOR SOR.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 20 companies (Note 8.7 to the consolidated financial statements excluding National ITMX Co., Ltd. and BCI (Thailand) Co., Ltd.), in terms of common standards and procedures in alignment to the BOT's consolidated supervision policy. The policies on business transactions within the financial business group and risk management policies in relation to business transactions within the financial business group had been approved by the Bank's Board of Directors and reviewed at least once a year. The policies cover types of transaction, rules and regulations for business transactions, the ratio of business transactions within the financial business group, capital requirements of the financial business group and other related operating procedures. Business transactions within the group are conducted in the same manner as to the public with contract entitled by law and follow the Bank's corporate governance policy.

In cases of the Bank having business transactions with a company within the financial business group in which such company is deemed to be the Bank's business unit, the Bank will follow the lenient business transaction guideline as provided by BOT.

8.41 Others

8.41.1 The Bank has certain defaulting debtors in relation to convertible preferred shares sale and purchase agreement and lending facilities with the outstanding principal amounts according to the related sale and purchase agreements and facilities agreements, as of 31 December 2022 totaling Baht 9,745 million, exclusive of the default interests. In this regard, for such outstanding principal amounts, the Bank has fully made an allowance for expected credit losses according to the BOT's criteria and it is currently in the execution process according to the orders of the Civil Court and the Bankruptcy Court.

In addition, such debtors together with other defendants were connected to a lawsuit of the Office of the Attorney General which was submitted to the Criminal Division for Persons Holding Political Positions of the Supreme Court's (the "Supreme Court"). The Supreme Court had ordered an acceptance of the complaint on 25 July 2012 and thereafter rendered a judgement on 26 August 2015 that all defendants shall be jointly liable for damages to the Bank. The Bank had submitted a letter to the Office of the Attorney General requesting the Department of Legal Execution, the Office of the Attorney General to execute a judgement for the Bank. In January 2016, the Office of the Attorney General had submitted a motion to the Supreme Court requesting for a writ of execution for appointing the executing officers and the Supreme Court ordered and appointed the executing officers. In this respect, the Bank had notified the public prosecutor of the result of a search for all judgment debtors' property. On 5 October 2016, the public prosecutor of the Department of Special Litigation arranged a meeting for representatives from the BOT, the Anti-Money Laundering Office ("AMLO") and the Bank to consider the issues regarding the legal execution of the Supreme Court's judgement and to coordinate and exchange information. Each party will legally exercise its authority and the Supreme Court's order to enforce all defendants for the best interest of the Bank's benefits and legal rights.

On 17 August 2017, a defendant of the criminal case of the Persons Holding Political Positions, who was not a defaulting debtor of the civil case, had made a payment of Baht 1,636 million to the Bank for payment of partial damages according to such criminal case. The Bank accepted the payment and recorded such payment as other revenue from a lawsuit compensation, as well as issuing a letter to such defendant demanding for payment of the remaining damages together with all relevant defendants to the Bank according to such judgement.

At present, judgments of the criminal case, other bankruptcy and civil cases have been enforced for confiscation execution of the mortgaged collaterals according to the preferred mortgage in the Bank's civil case for public auction. The court has issued an order for the Bank to receive debt payment as a mortgagee from such mortgaged collaterals according to an application for repayment of debt for the mortgaged debt submitted by the Bank. Thereafter, on 17 October 2018, the Legal Execution Department made an announcement for public auction and managed the proceedings of public auction for the mortgaged collaterals; whereby, a third party was the successful bidder for Baht 8,914 million. In 2019, the Bank has received the net amount of Baht 3,899 million from the Legal Execution Department for the mortgaged collaterals according to the preferred mortgage which were sold under the criminal case. The Bank exercised the right pursuant to Thai laws by deducting fees and litigation expenses of the Bank for Baht 1 million, and the remaining amount of Baht 3,898 million after the Legal Execution Department's deduction of expenses was considered as interest payment according to the judgment of the Bank's civil case. In this respect, on 25 September 2019, a defendant of the criminal case has filed a civil lawsuit against the Bank for taking the lawsuit amount to be recorded as the damages pursuant to the judgment of such criminal case in which the Bank submitted defending response, the Bank's action affirming. On 23 September 2022, the civil court has dismissed the civil case.

In 2020, the Bank had received net payment from the Legal Execution Department for the mortgaged collaterals which had been sold in other bankruptcy cases in the amount of Baht 3,524 million. The Bank exercised the right pursuant to Thai laws by deducting expenses in relation to auction announcement of Baht 0.02 million, and the remaining amount of Baht 3,524 million was considered as interest payment according to the judgement of the Bank's civil case. For other civil cases, currently, the Bank has received the net amount of Baht 1,223 million from the Legal Execution Department for the mortgaged collaterals according to the preferred mortgage which were sold under civil cases. The Bank exercised the right pursuant to Thai laws by deducting for interest in the amount of Baht 1,223 million according to the judgement of the Bank's civil case. On July 8, 2020, the Legal Execution Department made an announcement of public auction for the remaining 1 plot of land from the collateral in a criminal case, and managed the proceedings of public auction for such mortgaged collateral; whereby, a third party was the successful bidder for Baht 7.29 million, the buyer placed a bid deposit in full. Currently, the Bank had currently received net payment 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 judgement in favor of the Bank to receive full payment of debt according to the grounds of the lawsuit together with interest on 28 September 2017. Thereafter, on 31 October 2018, the Appeal Court had issued an appointment for the hearing of judgement, which upheld the judgement of the Civil Court. The defendant had filed a petition to the Supreme Court on 25 December 2018 and the Bank had filed an answer against such defendant's petition on 25 February 2019. Currently, the Supreme Court had rendered a judgement on 5 May 2020 which upheld the judgement of the Court of Appeal.

8.41.2 In 2010, the Bank lent a company USD 96 million (Baht 2,885 million), for which an investment in the ordinary shares of a foreign financial institution was pledged as collateral. Although these shares, accounting for 50 percent of such financial institution's authorised shares capital, were under the Bank's name, the Bank had no control over this financial institution. The Bank received full repayment of the loan under the contract in July 2011 but had not yet transferred such pledged ordinary shares back to the company because the company must first seek a financial institution to be a new investor of such financial institution.

8.41.3 The Bank is in the process of closing Mumbai Branch India. The assets, liabilities and operating performance of such branch is not material to the Bank's financial statements.

8.42 COVID-19

The COVID-19 pandemic is having a widespread impact on all business sectors and customer segments across Thailand, the BOT has issued a series of measures, covering payment moratoriums, government guarantees as well as payment holidays to get bank helped affected borrowers and industries that are encountering short-term cash flow problems to resume repayment ability at the end. The Bank provides assistance to debtors continuously. As at 31 December 2022, the Bank has outstanding balances of loans to customers including restructured loans amounting to Baht 56 billion that provides assistance type 1 to debtors and the Bank elects to apply accounting guidance on the guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution) in the preparation of its financial statements.

8.43 Events after the reporting period

On 21 February 2023, the Board of Directors passed a resolution to propose the payment of a dividend, at a rate of Baht 0.6820 per share to the ordinary shareholders and at a rate of Baht 0.8365 per share to the preferred shareholders, or a total of Baht 9,536 million, to the Annual General Meeting of Shareholders for consideration and approval.

8.44 Approval of the financial statements

These financial statements were authorised for issue by the Board of Directors on 22 February 2023.

Attachment 1 Details of directors and executives

Brief Biography of Board of Directors (as at 31 December 2022)

1. Mr. Krisada Chinavicharana

Chairman

Age 59

Appointed: Director

February 7, 2020

Appointed: Chairman

October 28, 2020

Education

- M.B.A., University of New Haven, USA
- LL.B., Chulalongkorn University

Training Program

- Class 54, National Defence Course, National Defence College
- 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
- Year 2021, Security Awareness Program, Krungthai Bank PCL By guest speaker
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL By guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 1 January 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies 1 Listed Company

2021 - Present Director and Member of the Remuneration Committee, PTT PCL

Positions in Non-Listed companies

2 Non-Listed Companies

2020 - Present Permanent Secretary, Ministry of Finance

2020 - Present Director, Office of Insurance Commission (OIC)

Experience

- | | |
|-------------|---|
| 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 |

2. Mr. Krairit Euchukanonchai

Vice Chairman

Chairman of the Board of Executive Directors

Chairman of the Risk Oversight Committee

Age 67

Appointed: Director

October 15, 2015

Appointed: Vice Chairman

January 14, 2016

Education

- Master of Business Administration (Finance and Banking), North Texas State University, USA
- Bachelor of Science, Chulalongkorn University

Training Program

- Class 16/2007, Role of the Chairman Program (RCP), IOD
- Class 59/2005, Director Certification Program (DCP), IOD
- Top Executive Program in Energy Literacy, Thailand Energy Academy
- Year 2021, Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL By guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 1 January 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies 2 Listed Company

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

7 Non-Listed Companies

- | | |
|----------------|---|
| 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. |
| 2000 - Present | Chairman, V.Group Honda Cars Co., Ltd. and affiliated companies |

Experience

2018 - 2020	Chairman and Chairman of the Independent Director Committee, PTT PCL
2017 - 2019	Chairman, Mass Rapid Transit Authority of Thailand
2011 - 2012	Director and Member of the Audit Committee, PTT PCL
2011 - 2012	Director, PTT Exploration and Production PCL
2006 - 2012	Chairman and Chairman of the Risk Management Committee, Krung Thai 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 62

Appointed:

November 24, 2017

Education

- Bachelor of Engineering in Electrical Engineering, The University of New South Wales, Australia

Training Program

- Class 22, National Defence Course for the Joint State-Private Sectors, The National Defence College
- Class 215/2016, Director Certification Program (DCP), IOD
- Class 7/2016, Top Executive Program in Energy Literacy, Thailand Energy Academy
- Class 8/2015, Top Executive Program in Commerce and Trade (TEPCoT), Commerce Academy, University of the Thai Chamber of Commerce
- Year 2013, ASEAN Executive Management Programme, Sasin Graduate Institute of Business Administration of Chulalongkorn University (Sasin)
- Class 12/2011, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand
- Year 2018, Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, ACIS Professional Center
- Year 2021, Cyber Resilience Program, Bank of Thailand
- Year 2021, Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL By guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 1 January 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies 1 Listed Company

2021 - Present	Chairman, Independent Director and Chairman of the Audit Committee, Asian Alliance International PCL
----------------	--

Positions in Non-Listed companies**7 Non-Listed Companies**

2020 - Present	Committee member of the Prevention and Suppression of Corruption and Abuse of Powers Reform of the Thailand's National Reform, Office of the National Economic and Social Development Council
2020 - Present	Honorary Director (Business Administration), Office of Insurance Commission (OIC)
2014 - Present	Director, Panel Plus Co., Ltd.
2014 - Present	Director, Panel Plus MDF Co., Ltd.
2014 - Present	Vice Chairman, Anti-Corruption Organization of Thailand
2013 - Present	Vice Chairman, The Thai Chamber of Commerce
1995 - Present	Director, Shiang Heng International Co., Ltd
Experience	
2019 - 2021	Independent Director and Member of the Audit Committee, Asian Sea Corporation PCL
2014 - 2020	Independent Director and Member of the Audit Committee, PTT PCL

4. Mr. Thanwa Laohasiriwong

Director

Independent Director

Chairman of the Nomination and Remuneration Committee

Member of the Compliance Committee

Member of the Risk Oversight Committee

Age 57

Appointed:

January 26, 2016

Education

- Bachelor of Engineering (Computer), King Mongkut's Institute of Technology Ladkrabang

Training Program

- Class 60, National Defence Course, National Defence College
- Class 13/2021, Board Nomination and Compensation Program (BNCP), IOD
- Class 45/2019, Role of the Chairman Program (RCP), IOD
- Class 2/2017, Boardroom Success through Financing and Investment (BFI), IOD
- Class 2/2016, Driving Company Success with IT Governance (ITG), IOD
- Class 20/2015, Advanced Audit Committee Program (AACP), IOD
- Class 1/2015, Ethical Leadership Program (ELP), IOD
- Class 22/2014, Successful Formulation & Execution of Strategy (SFE), IOD

- Class 10/2004, Finance for Non-Finance Directors (FND) , IOD
- Class 43/2004, Director Certification Program (DCP), IOD
- Year 2001, IBM/Harvard Management Development Program
- Year 1998, IBM/INSEAD Management Development Program
- Class 4/2016, Environmental Governance for Executive Officer, Department of Environmental Quality Promotion (DEQP), Ministry of Natural Resources and Environment
- Year 2018, Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, ACIS Professional Center
- Class 20/2019, Corporate Governance for Director and Top Management of State Owned Enterprise and Public Organization Course, Public Director Institute (PDI), King Prajadhipok's Institute
- Class 13/2019, Top Executive Program in Energy Literacy, Thailand Energy Academy
- Class 3/2019, Executive Program on Rule of Law and Development (RoLD), Thailand Institute of Justice (TIJ)
- Class 30/2020, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand
- Year 2020, Cyber Resilience Program, Bank of Thailand
- Year 2021, Cyber Resilience Program, Bank of Thailand
- Year 2021, Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL By guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 1 January 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies 3 Listed Companies

2022 - Present Independent Director, Member of the Audit Committee and Member of the Corporate Governance and Sustainable Development Committee, Global Green Chemicals PCL

2018 - Present Advisor of Investment Committee, BCPG PCL

2014 - Present Independent Director, Chairman of the Audit Committee and Member of the Nominating and Remuneration Committee, TPBI PCL

Positions in Non-Listed companies

2 Non-Listed Companies

2020 - Present Director and Member of the Audit Committee, Relationship Republic Co., Ltd.

2019 - Present Member of the Support Research and Innovation Administration Committee, National Research Council of Thailand (NRCT)

Experience

- 2021 - 2022 Director, Supamitr General Hospital PCL
- 2019 - 2020 Independent Director and Member of the Audit Committee, Stage Railway of Thailand
- 2018 - 2019 Honorary Director, Thailand Research Fund Policy Committee, The Thailand Research Fund (TRF)
- 2015 - 2019 Chairman, Humanica PCL
- 2014 - 2018 Director and Executive Director, TOT PCL

5. Prof.Dr. Kittipong Kittayarak

Director

Independent Director

Chairman of the Corporate Governance and Social Responsibility Committee

Member of the Compliance Committee

Age 64

Appointed:

July 24, 2014

Education

- Honorary Doctorate Degree, Radboud University, Netherland
- Doctor of the Science of Laws (J.S.D.), Stanford University, USA (Fulbright Scholarship)
- Master of Laws (LL.M.), Harvard University, USA (Fulbright Scholarship)
- Master of Laws (LL.M.), Cornell University, USA (OCSC Scholarship)
- Bachelor of Laws (Honors), Chulalongkorn University
- Barrister-at-Law, Institute of Legal Education Thai Bar Association

Training Program

- Class 49, National Defence Course, National Defence College
- Class 112/2014, Director Accreditation Program (DAP), IOD
- Class 18/2015, Advanced Audit Committee Program (AAP), IOD
- Class 1/2013, Certificate in Law for Democracy, Office of the Constitutional Court
- Class1/2012, Top Executive Program in Energy Literacy, Thailand Energy Academy
- Class 8/2009, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand
- Class 10/2006, Top Executive Program in Justice Administration, Judicial Training Institute
- Class 5/2001, Politics and Governance in Development Systems or Executive Course, King Prajadhipok's Institute
- Year 2018, Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, ACIS Professional Center
- Year 2020, Cyber Resilience Program, Bank of Thailand
- Year 2021, Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL By guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 1 January 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies 4 Listed Companies

2021 - Present Independent Director, Member of the Audit Committee and Member of the Corporate Governance and Sustainable Development Committee, Charoen Pokphand Foods PCL

2021 - Present Independent Director 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

11 Non-Listed Companies

2022 - Present Governor and Chairman of Sustainable Subcommittee, Member of the Audit Subcommittee, Member of the Law Subcommittee, Member of the Disciplinary Subcommittee, The Stock Exchange of Thailand

2021 - Present Advisor, Thailand Institute of Justice (Public Organization)

2021 - Present Private Sector Collective Action against Corruption Committee

2019 - Present Vice Chairman, Thai Red Cross Society's Organ Donation

2019 - Present Chancellor of the King Mongkut's Institute of Technology Ladkrabang

2018 - Present Committee, Ramathbodi Foundation Under the Royal Patronage of His Majesty the king, Her Royal Highness Princess Maha Chakri Sirindhorn

2017 - Present Executive Director and Vice Chairman, Friend in Need (of "PA") Volunteers Foundation, Thai Red Cross

2016 - Present Adjunct Professor, Faculty of Law, Chulalongkorn University

2014 - Present Chairman, Bangkok University Council

2011 - Present Executive Director and Chairman (Thailand Branch), ASIA Crime Prevention Foundation (ACPF) (Consultative Status with ECOSOC)

2006 - Present Executive Director, Bajrakitiyabha Fund for Legal Education

Experience

2018 - 2022 Director, Chakri Naruebodindra Medical Institute and Ramathibodi Chakri Naruebodindra Hospital

2015 - 2021 Executive Director, Thailand Institute of Justice (Public Organization)

2014 - 2021 Director of the Civil Service Sub-commission on Human Resource Management System Development, Office of the Civil Service Commission

2014 - 2021 Director, consider improvement on the Code of Criminal Procedure, Office of the Council of State

2014 - 2021 Independent Director and Chairman of the Corporate Governance Committee, PTT PCL

2010 - 2021 Member of the Board of Committee, Thai Bar Association

2018 - 2020 Vice-President of the Mahidol University Council

2009 - 2020 Member of Mahidol University Council

2017 - 2019 Executive Subcommittee, Office of the Judiciary - International Affairs

6. Mr. Teerapong Wongsawilas

Director

Independent Director

Chairman of the Compliance Committee

Member of the Nomination and Remuneration Committee

Age 58

Appointed:

December 21, 2020

Education

- Bachelor of Laws, Thammasat University

Training Program

- Class 13/2022, Board Nomination and Compensation Program (BNCP), IOD
- Class 6/2022, Director Leadership Certification Program (DLCP), IOD
- Class 246/2017, Director Certification Program (DCP), IOD
- Class 57, National Defence Course, The National Defence College
- Class 8, Senior Executive Program, The office of the Civil Service commission
- Class 12/2013, Public Law and Management, King Prajadhipok's Institute
- Year 2021, Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL By guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 1 January 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies 1 Listed Company

2022 - Present Independent Director, Member of the Audit Committee and Member of the Nominating and Remuneration Committee, PTT Exploration and Production PCL

Positions in Non-Listed companies

6 Non-Listed Companies

2022 - Present Permanent Secretary, The Office of the Permanent Secretary

2022 - Present Director and Member of the Audit Committee, Mass Rapid Transit Authority of Thailand

2022 - Present Honorable Executive Director of the Judicial Administration (Administration and Management), Court of Justice

2022 - Present Council of State No.7 (Natural Resources and Environment Law), Office of the Council of State

2020 - Present Committee member of the Political Reform of the Thailand's National Reform, Office of the National Economic and Social Development Council

2019 - Present Honorable Special Investigation Committee (Law), Department of Special Investigation, Ministry Of Justice

Experience

2021 - 2022 Government Official Advisor to Prime Minister

2019 - 2021 National Science and Technology Development Committee, National Science and Technology Development Agency

2017 - 2021 Independent Director and Member of the Audit Committee, Bangchak Corporation PCL

2017 - 2021 Secretary-General to the Cabinet, The Secretariat of the Cabinet

7. General Tienchai Rubporn

Director

Chairman of the Independent Directors Committee

Member of the Audit Committee

Member of the Compliance Committee

Age 67

Appointed:

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
- 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
- Year 2018, Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, ACIS Professional Center
- Year 2021, Cyber Resilience Program, Bank of Thailand
- Year 2021, Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL By guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 1 January 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed None

Positions in Non-Listed companies None

Experience

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 64

Appointed:

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

- Class 46/2020, Role of the Chairman Program (RCP), IOD
- Class 10/2019, IT Governance and Cyber Resilience Program (ITG), IOD
- 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
- Regional Workshop "Risk Modeling for Sovereign Debt Portfolio" by World Bank
- Year 2018, Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, ACIS Professional Center
- Year 2019, Cyber Resilience Program, Bank of Thailand
- Year 2020, Cyber Resilience Program, Bank of Thailand
- Year 2021, Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL By guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 1 January 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies None

Positions in Non-Listed companies

1 Non-Listed Company

2017 - Present Director and Executive Director, Elixir Foods & Beverages Co., Ltd.

Experience

2015 - 2017 Director and Executive Director, ThaiKong Co., Ltd.

9. Mr. Lavaron Sangsnit**Director****Executive Director****Member of the Nomination and Remuneration Committee**

Age 55

Appointed:

December 21, 2020

Education

- M.S. (Economic Policy and Planning), Northeastern University, USA
- Bachelor of Economics, Chulalongkorn University

Training Program

- Class 58, National Defence Course, The National Defence College
- Class 205/2015 Director Certification Program (DCP), IOD
- Class 10 Year 2022, The Rule of Law for Democracy, College of the Constitutional Court
- Class 12/2018, Top Executive Program in Energy Literacy, Thailand Energy Academy
- Class 25/2017, Top Management Program, Capital Market Academy
- Class 7, Executive Program in Public Administration, Office of the Civil Service Commission (OCSC)
- Year 2021, Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL By guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 1 January 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies 1 Listed Company

2021 - Present Director, Global Power Synergy PCL

Positions in Non-Listed companies

2 Non-Listed Companies

2022 - Present Director-General, The Excise Department

2021 - Present Chairman, The Revenue Department

Experience

2020 - 2022 Director-General, The Excise Department

2018 - 2021 Director and Chairman of the Board of Executive Directors, Aeronautical Radio of Thailand Ltd.

2018 - 2021 Director, Tobacco Authority of Thailand

2018 - 2020 Director-General, The Fiscal Policy Office

2018 - 2020	Chairman, Deposit Protection Agency
2018 - 2020	Board Member, Capital Market Supervisory Board, The Securities and Exchange Commission
2018 - 2020	Director, Bank of Thailand
2018 - 2020	Member of the Financial Institutions Policy Committee, Bank of Thailand
2016 - 2020	Director and Chairman of the Risk Management Committee, Krungthai Asset Management PCL
2016 - 2018	Inspector General, Office of the Permanent Secretary, Ministry of Finance

10. Dr. Kulaya Tantitemit

Director

Member of the Risk Oversight Committee

Member of the Corporate Governance and Social Responsibility Committee

Age 50

Appointed:

November 9, 2021 Resigned: January 1, 2023

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

- Class 7/2017, Ethical Leadership Program (ELP), IOD
- Class 239/2017, Director Certification Program (DCP), IOD
- Class 5/2018, Board Matters and Trends (BMT), 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
- Year 2021, Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL By guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 1 January 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies 1 Listed Company

2021 - Present Director, Bangchak Corporation PCL
(Resigned 1 Jan. 2023)

Positions in Non-Listed companies

5 Non-Listed Companies

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

2021 - 2022	Director, Krungthai Asset Management PCL
2021	Director, Bank of Thailand
2021	Director of 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, PTT International Trading Pte. Ltd.

11. Ms. Jiraphon Kawswat

Director

Independent Director

Member of the Audit Committee

Member of the Corporate Governance and Social Responsibility Committee

Age 60

Appointed:

October 26, 2022

Education

- Master of Business Administration (Financial Management), Kasetsart University
- Master of Accountancy (Cost Accounting), Chulalongkorn University
- Bachelor of Science (Accounting), Kasetsart University

Training Program

- Class 51/2022, Role of Chairman Program (RCP), IOD
- Class 46/2022, Advanced Audit Committee Program (AACCP), IOD
- Year 2021, Director Leadership Certification Program (DLCP), IOD
- Class 19/2020, Risk Management Program for Corporate Leaders (RCL), IOD
- Class 2/2014, Director Certification Program Update (DCPU), IOD
- Class 6/2014, How to Develop a Risk Management Plan (HRP), IOD
- Class 21/2014, Successful Formulation & Execution of Strategy (SFE), IOD
- Class 180/2013, Director Certification Program (DCP), IOD
- TLCA Executive Development Program (EDP), Thai Listed Companies Association
- Class 20/2019, Corporate Governance Program for Directors and Executives of State Enterprises and Public Organization, King Prajadhipok's Institute

- Class 3/2019, Executive Program on Rule of Law and Development (RoLD Program), Thailand Institute of Justice
- Class 12/2018, Certificate, Executive Program in Energy Literacy for a Sustainable Future, Thailand Energy Academy (TEA)
- Class 26/2018, Top Executive Program, Capital Market Academy (CMA)
- Senior Executive Program, London Business School, United Kingdom
- Leadership Development Program III, (Class 2/2015), PTT Leadership and Learning Institute
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL By guest speaker

Number of Shares in company None

% of Shares in company None

(not changed since 26 October 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies None

Positions in Non-Listed companies None

Experience

- | | |
|-------------|--|
| 2018 - 2022 | Director and Member of the Enterprise Risk Management Committee, Acting President and Chief Executive Officer, PTT Oil and Retail Business PCL |
| 2018 - 2022 | Senior Executive Vice President, PTT PCL |
| 2018 | Director and Member of the Nomination and Remuneration Committee, IRPC PCL |
| 2017 - 2018 | Senior Executive Vice President, Oil Business Unit, PTT PCL. |

12. Mr. Payong Srivanich

President

(Authorized Signatory Director)

Executive Director

Member of the Risk Oversight Committee

Age 54

Appointed:

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

- Class 223/2016, Director Certification Program (DCP), IOD
- Year 2018, Cybersecurity, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, ACIS Professional Center

- Training and Development for High Executive Project, Royal Thai Police
- TIJ Executive Program on the Rule of Law and Development : RoLD 2019 ,Thailand Institute of Justice (TIJ)
- Year 2021, Security Awareness Program, Krungthai Bank PCL by guest speaker
- Year 2022, Cyber Security Awareness Program, Krungthai Bank PCL By guest speaker

Number of Shares in company 16,050 Shares

(Personal 12,800 Shares and Spouse 3,250 Shares)

0.00011% of shares

% of Share in company None

(no share on 1 January 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies 1 Listed Company

2021 - Present Independent Director, Member of the Nominating Committee and Member of the Corporate Governance and Sustainability Committee , PTT PCL

Positions in Non-Listed companies

22 Non-Listed Companies

- | | |
|----------------|--|
| 2021 - Present | Director, Board of Special Economic Development Policy |
| 2021 - Present | Director, Supervisory Board of Minor Population Debt Relief |
| 2021 - Present | Director, Steering Committee Friends in need of ("PA") 2021 |
| 2021 - Present | Advisor, Executive Director of Global Compact Network Thailand Association |
| 2021 - Present | Director, KTB Advisory Co., Ltd. |
| 2020 - Present | Chairman, Thai Bankers' Association |
| 2020 - Present | Private Sector Committee, Board of the Office of SMEs Promotion, The Office of SMEs Promotion |
| 2020 - Present | Director, National Strategic Committee, Office of the National Economic and Social Development Council |
| 2020 - Present | Director, Eastern Economic Corridor (EEC) Policy Committee, Eastern Economic Corridor (EEC) |
| 2020 - Present | Director, Commission Policy on Private Participation in State Affairs, State Enterprise Policy Office |
| 2020 - Present | Committee, The Board of Anti-Corruption Organization of Thailand Foundation, Anti-Corruption Organization of Thailand Foundation |
| 2020 - Present | Advisor, Bureaucracy System Development Subcommittee about Studying and Setting Guidelines the Thailand National Digital Trade Platform Office of the Public Sector Development Commission |

2020 - Present	Committee, Capital Market Development Commission, Fiscal Policy Office
2020 - Present	Director, Payment Systems Committee (PSC), Bank of Thailand
2020 - Present	Board Member, Thailand Board of Investment (BOI)
2020 - Present	Chairman, National Digital ID Co., Ltd.
2020 - Present	Co-Chairmen, The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB)
2020 - Present	Chairman, Development of Database Systems and Information Technology in Public Financial Institutions Subcommittee
2020 - Present	Director, The ASEAN Bankers Association (ABA)
2019 - Present	Senior Expert Committee, The National Financial Institution Development Board
2018 - Present	The MOF Big Data Steering Committee, Ministry of Finance
2017 - Present	Chairman, National ITMX Co., Ltd.
Experience	
2020 - 2022	Director, Business Advisory of Center for Covid-19 Situation Administration (CCSA), Office of the National Economic and Social Development Council
2020 - 2022	Chairman, Analyze and Propose Economic Management Measures in the Urgent Period Subcommittee under the Executive Committee on Economic Situation Affected by the Coronavirus 2019 Outbreak, Office of the National Economics and Social Development Council
2020 - 2021	Corporate Secretary, Krung Thai Bank PCL

13. Mr. Chamroen Phothiyod

Director

Member of the the Risk Oversight Committee

Member of the Corporate Governance and Social Responsibility Committee

Age 59

Appointed:

January 11, 2023

Education

- Master of Public Administration, National Institute of Development Administration
- Bachelor of Laws, Ramkhamhaeng University

Training Program

- Class 27/2022, Ethical Leadership Program (ELP), IOD
- Class 24/2021, Risk Management Program for Corporate Leaders (RCL), IOD
- Class 242/2017, Director Certification Program (DCP), IOD

- Class 58, National Defence Course (NDC), The National Defence College
- Class 31/2021, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand
- Class 7, Senior Public Sector Finance and Fiscal Manager Program, The Comptroller General's Department
- Class 13, Executive Program in Energy Literacy for a Sustainable Future, Thailand Energy Academy (TEA)
- Executive Professional Development Course : Port and Shipping Trend & Technology, World Maritime University
- Class 11, Top Executive Program in Commerce and Trade (TEPCoT), Commerce Academy, University of the Chamber of Commerce
- Class 17, Corporate Governance Program for Directors and Executives of State Enterprises and Public Organizations (PDI), King Prajadhipok's Institute
- Year 2017, Inspector General Course for the Fiscal, The Office of the Permanent Secretary, The Prime Minister's Office.
- Class 4, Anti-corruption Strategic Management for Senior Executives Course, Sanya Dharmasakti Anti-Corruption Institute, Office of the National Anti-Corruption Commission
- Class 73, Senior Executive Program, College of Administrators, Civil Service Development Institute, The office of the Civil Service Commission

Number of Shares in company None

% of Shares in company None

(as of 11 January 2023)

Family Relationship with Director and Executive Officer None

Others position as at January 11, 2023

Positions in Other Listed Companies 1 Listed Company

2021 - Present Director, Bangchak Corporation PCL

Positions in Non-Listed companies

3 Non-Listed Company

2022 - Present Director-General, The Treasury Department

2022 - Present Chairman, Dhanarak Asset Development Co., Ltd.

2015 - Present Director, Anti-Corruption Foundation

Experience

2021 - 2022 Director, National Telecom PCL

2021 - 2022 Director, Bank for Agriculture and Agricultural Cooperatives

2020 - 2022 Deputy Permanent Secretary, Ministry of Finance

2019 - 2021 Director, Metropolitan Waterworks Authority

2019 - 2020 Director, Bangkok Mass Transit Authority

2019 - 2020 Director, Sports Authority of Thailand

2016 - 2020 Inspector General, Ministry of Finance

2014 - 2019 Director, National Housing Authority

2018 - 2019 Director, S.R.T. Electrified Train

2016 - 2019 Director, Port Authority of Thailand

Brief Biography of Board of Executives (as at 31 December 2022)

1. Mr. Payong Srivanich

President

Age 54

(Please refer to page 366)

2. Ms. Praralee Ratanaprasartporn

Senior Executive Vice President Group Head -

Digital Solutions Group

Age 53

Appointed:

May 2, 2013

Education

- MBA, University of Alabama at Birmingham, USA
- BBA (Accounting), Thammasat University

Training Program

- RoLD2020: The Resilient Leader 2021
- Legal Strategies for Personal Data Management, Chulalongkorn University 2019
- Innovations Payment, Master Card, England (2018)
- Fintech Strategy and Innovation Payment System, Plug and Master Card, Singapore (2018)
- SAS Global Forum 2018 (Executive Program), SAS Software, USA (2018)
- Blockchain in Government, Trueventus, Singapore (2018)
- Singapore Fintech Festival 2018, Baker McKenzie, Singapore (2018)
- Co-Creation Workshop, VISA International, Singapore (2017)
- 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 2016 Thai Institute of Directors Association (IOD)
- Customer Segmentation and Micro Segment Analytics by SAS (2016)
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and Cornell University

- KTB Digital Banking Workshop (2015)
- Advance Management Program (2011) INSEAD Business School - European Campus, France
- Customer Experience Workshop (2010), Malaysia
- 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 on 1 January 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies 1 Listed Company

Apr 2019 - Present Director, Krungthai Card PCL

Positions in Non-Listed companies

4 Non-Listed Companies

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

2019 - Sep. 2020 Director, National Digital ID Co., Ltd.

2014 - Feb. 2020 Director, KTB Leasing Co., Ltd.

2016 - Dec. 2019 Krungthai Bank, PCL

Senior Executive Vice President Group
Head Retail Shared Service Group
Head of Data Innovation

3. Mr. Weerapong Suppasedsak

Senior Executive Vice President Group Head -

Business Center Group

Age 56

Appointed:

December 26, 2014

Education

- Master of Economics (Finance), National Institute of Development Administration (NIDA)
- Bachelor of International Economics, Ramkhamhaeng University

Training Program

- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)

- Transformative Leadership Program: Executive Session (2021)
- IFRS9 Impairment Model (Quick Fix + Enhancement Workshop (2021)
- Personal Data Protection Act B.E. 2562 (PDPA) (Update) (2020)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)
- National Defence Course, National Defence College (2018)
- 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)
- KTB executive refining program (2016)

Number of Shares in company None

% of Shares in company None

(not changed since January 1, 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies None

Positions in Non-Listed companies

2 Non-Listed Companies

Apr 2021 - Present Vice Chairman and Chairman of the Board of Executive Directors, Krungthai Panich Insurance PCL

2019 - Present Director and Executive Director, Krungthai XSpring Securities Co., Ltd.

Experience

2012 - 2019 Director, Bangkok Expressway and Metro PCL

2016 - 2019 Director, Krungthai Panich Insurance PCL

2014 - 2016 Director/Chairman of the Audit Committee at Suvarnabhumi Airport Hotel Co., Ltd.

2016 - 2018 Krungthai Bank PCL - Senior Executive Vice President Group Head - Corporate Banking Group 2

4. Mr. Suratun Kongton

Senior Executive Vice President Group Head - Corporate Banking Group 2

Acting Group Head - Corporate Banking Group 1

Age 56

Appointed:

October 8, 2018

Education

- Master of Public Administration, University of Southern California
- Bachelor of Political Science Public Administration (Public Finance), Chulalongkorn University

Training Program

- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- IFRS9 Quick-Fix and Model Enhancement (2021)
- Workshop: IFRS9 Impairment
- National Defence Course, Class 62, National Defence College Introduction to Thai Financial Reporting Standards 9 (IFRS 9) (2020)
- Personal Data Protection Act B.E. 2562: PDPA (Updated) (2020)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)
- Reimagining Your Business for the Digital Age 2019

Number of Shares in company None

% of Shares in company None

(not changed since January 1, 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies 2 Listed Company

2019 - Present Director and Chairman of the Risk Management Committee, Dhipaya Group Holdings PCL

2019 - Present Director and Chairman of the Risk Management Committee, Dhipaya Insurance PCL

Positions in Non-Listed companies None

Experience

Feb 2018 - Jun 2018 Head of Corporate Banking Group, Bank of Ayudhya, PCL

2017 - 2018 Director, Krungsri Securities, PCL

2017 - 2018 Director, General Card Services Co., Ltd.

2016 - 2017 Head of Corporate and Investment Banking Group, Bank of Ayudhya, PCL

2012 - 2016 Executive Vice President and Head of Corporate Banking Group 2

Bank of Ayudhya, PCL

2010 - 2018 Director, Tumtumpai Co., Ltd.

5. Mr. Rawin Boonyanusasna

Senior Executive Vice President Group Head -
Global Markets Group

Age 48

Appointed:

November 23, 2016

Education

- MSC. in Financial Engineering and Quantitative, University of Reading, United Kingdom
- MA. in International Economics and Finance, Chulalongkorn University
- BA. in Economics, Thammasat University

Training Program

- Director Accreditation Program (DAP) 2020, IOD
- Blockchain & Bitcoin for Management, Class 1/2018, The Thai Institute of Banking and Finance Association (TIBFA)
- Bank of Thailand's Treasury Dealer Course (2017)
- Bond Trader's Refresher Course (2017)
- Inspirational Leadership (2017)
- Media Training for Spokespersons (2017)
- Customer Segmentation and Micro Segment Analytics by SAS (2016)
- KTB executive refining program (2016)

Number of Shares in company None

% of Shares in company None

(not changed since January 1, 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies None

Positions in Non-Listed companies

5 Non-Listed Companies

2021 - Present	Director, Infinitas by Krungthai Co., Ltd.
2021 - Present	Director, CMDF Digital Infrastructure Co., Ltd.
2019 - Present	Director of the Investment Subcommittee, The Thai Bond Market Association (ThaiBMA)
2018 - present	Director/Executive Director and Director of Nomination and Remuneration Committee, Krungthai XSpring Securities Co., Ltd.
2017 - present	Director/Chairman of Investment Committee, Krungthai-AXA Life Insurance, PCL

Experience

2016 - 2018	Krungthai Bank PCL First Executive Vice President Group Head - Global Markets Group
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6. Mr. Ekachai Techawiriyakul

Senior Executive Vice President Group Head -
Risk Management Group

Age 61

Appointed:

November 1, 2017

Education

- Master of Business Administration, Thammasat University
- Bachelor of Engineering, Chulalongkorn University

Training Program

- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- 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 (IFRS 9) (2020)
- Power of The Kingdom, Class 5/2019, Chulalongkorn University Executive Program
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)
- Identity Determination and Desirable Behavior Management
- Principles for Consideration of Disciplinary Offenses and Examples of Relevant Judgments
- Director Certification Program (DCP) 2018, Institute of Directors (IOD)
- Good Corporate Governance for Top Executives 2017, LEAD Business Institute
- Leaders as Coach (2017)
- Digital Banking & Inspirational Leadership (2016)
- Situational Leadership for Top Leaders (2016)
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and Cornell University

Number of Shares in company None

% of Shares in company None

(not changed since January 1, 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies None

Positions in Non-Listed companies

1 Non-Listed Companies

2019 - Present	Chairman, Krungthai Mizuho Leasing Co., Ltd.
Experience	
2017 - 2022	Director, Suvarnabhumi Airport Hotel Co., Ltd.
Dec 2018- May 2021	Krungthai Bank PCL
	Senior Executive Vice President Group
	Head - Corporate Banking Group 1
2017 - 2018	Krungthai Bank PCL
	First Executive Vice President Group
	Head - Corporate Banking Group 1

7. Ms. Saranya Vejaku

Senior Executive Vice President Group Head -
Financial Management Group

Age 53

Appointed:

July 1, 2019

Education

- MBA Executive Program, Chulalongkorn University
- Bachelor of Economics (Accounting), Kasetsart University

Training Program

- Derivatives and Hedge Accounting: EY Corporate Services Co., Ltd.
- Sustainable Business Operations and Related Accounting: EY Corporate Services Co., Ltd.
- Overview of Changes in Financial Reporting Standards and Classification of Investment Items: EY Corporate Services Co., Ltd.
- Cyber Security Awareness for MC: PwC
- CFO's Agenda Transform Finance to Partner (2022)
- Accounting and Tax Perspectives and Practices on Transactions Related to Digital Asset Business (2022)
- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- Transformative Leadership Program: Executive Session (2021)
- Annual Audit Committee Conference KTB Group 2021: AACC (2021)
- Mergers and Acquisitions: Strategies, Contracts, Merger and Acquisition Negotiations (2021)
- Top Management Program in Government Fiscal Management (GFM) (2020)
- TFRS 9: Financial Instruments - Hedge Accounting (Advanced Workshop) (2020)
- CFO Focus On Financial Reporting (2019)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)

Number of Shares in company None

% of Shares in company None

(not changed since January 1, 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies None

Positions in Non-Listed companies

3 Non-Listed Companies

Mar 2022 - Present Director and Member of the Audit Committee, Krungthai XSpring Securities Co., Ltd.

Jan 2021 - Present Director, KTB Advisory Co., Ltd.

2020 - Present Director, Executive Director and Member of the Audit Committee, Krungthai Panich Insurance PCL

Experience

Apr 2022 - Nov 2022 Director, KTB Computer Services Co., Ltd.

Jul 2019 - Oct 2019 Krungthai Bank, PCL
Financial Management Advisor to the President

2010 - 2019 The Siam Commercial Bank PCL
EVP, Head of Financial Planning & Analysis (FP&A)

8. Mr. Santi Parivisutt

Senior Executive Vice President Group Head —
Operation Group

Age 60

Appointed:

October 1, 2016 and Retirement Date December 31, 2022

Education

- MS (Economics), National Institute of Development Administration
- Bachelor of Economics, Ramkhamhaeng University

Training Program

- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- Prevention on Bribes or Other Benefits Offering/Corruption (2022)
- 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)

- IFRS9 Accounting Standard 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 Regulator 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)
- Advanced Audit Committee Program: AACP (2017), Thai Institute of Directors Association (IOD)
- Good Corporate Governance for Top Executives (2017), LEAD Business Institute
- Annual Audit Committee CAACC (2016)
- Digital Banking & Inspirational Leadership (2016)

Number of Shares in company 1,070 Shares (Spouse)

% of Shares in company 0.00001% of share

(not changed since January 1, 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies None

Positions in Non-Listed companies

1 Non-Listed Companies

Apr 2020 - Present General Director, KTB Services and Security Co., Ltd.

Experience

Oct 2016 - Mar 2020 Krungthai Bank PCL
First Executive Vice President
Group Head - Internal Audit Group

9. Mr. Suppawat Wadhanapatee

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

Age 52

Appointed:

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

- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- Director Certification Program (DCP) (2021)
- Thailand HR Forum 2020 (Virtual Conference) (2020)
- Strategic Management in Corruption Prevention and Suppression Program for Chief Executive Officers
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)
- Thailand Competitiveness Conference 2019
- Digital HR Forum 2019
- Enhancing Corporate Governance of State-Owned Enterprise Management
- Identity Determination and Desirable Behavior Management
- Annual Conference and Exposition (2018), Society for Human Resource Management (SHRM): SHRM, USA
- 6TH Compensation & Benefits Summit 2018, Equip Global, Singapore
- TMA Trend Talk #8 Renovate to Innovate: Moving Forward with Agility in the Digital Era, Thailand Management Association (TMA) 2018
- Good Corporate Governance for Top Executives 2017, LEAD Business Institute
- How Digital Technology Transforms the Financial Service and Experiences (2016)

- Situational Leadership (2015)
- Strategy and Innovation for Businesses in Asia (SIBA): CMMU Session (2014)
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and Cornell University
- Professional Coach Certification Program (2015)
- The GRID for Supervisory Excellence - Experience The Power to Change 2015, Grid Organization Development LLC
- Workshop: The Leadership Talent Sustainability Across Borders 2013, Personnel Management Association of Thailand - PMAT

Number of Shares in company None

% of Shares in company None

(not changed since January 1, 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies None

Positions in Non-Listed companies None

Experience

Oct 2016 - Mar 2020	Krungthai Bank PCL
	First 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

Acting Group Head -

Technology Group

Age 54

Appointed:

January 2, 2019

Education

- University Master of Business Administration, Seattle University, USA
- Bachelor of Business Administration, Assumption University

Training Program

- Transformational Executive Network for Exponential Growth (Ten X) 2022
- National Defence Course, Class 63, National Defence College

- Master Deal Maker Program University of Pennsylvania, USA
- Director Certification Program (DCP) Thai Institute of Directors (IODs)
- Banking Institutes Program Sydney, Australia
- IBM Client Executive Program (CEP) Harvard University, USA

Number of Shares in company None

% of Shares in company None

(not changed since January 1, 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies 1 Listed Company

Dec 2022 - Present	Independent Director, PTT Oil and Retail Business PCL
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Positions in Non-Listed companies

4 Non-Listed Companies

2019 - Present	Chairman of the Board of Directors, KTB Computer Services Co., Ltd.
2019 - Present	Director, BCI (Thailand) Co., Ltd.
2019 - Present	Director, InnoSpace (Thailand) Co., Ltd.
2016 - Present	Chairman of the Board of Directors, Cycling Cloud Co., Ltd.

Experience

Apr 2019 - Apr 2020	Director, Krungthai IBJ Leasing Co., Ltd.
Jan 2019 - Mar 2020	Krungthai Bank PCL
	First Executive Vice President
	Group Head, Global Transaction Banking Group
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 Group Head -
Compliance and Legal Management Group

Age 58

Appointed:

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 Defence Course for the Joint State-Private Sectors, Class 24, The National Defence 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, 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies None

Positions in Non-Listed companies

3 Non-Listed Companies

Apr 2022 - Present	Chairman, Innopower Co., Ltd.
Jan 2021 - Present	Chairman, Krungthai Law Co., Ltd.
Jan 2021 - Present	Director, KTB Computer Services Co., Ltd.

Experience

Apr - Oct 2021	Chairman and Chairman of the Nominating and Remuneration Committee, Krungthai Card PCL
May - Aug 2021	Director, National Telecom PCL

2014 - Oct. 2020

Director, TOT PCL

2014 - Oct. 2020

Executive Vice President Financial Crime Prevention and Security, Siam Commercial Bank PCL

12. Mr. Kittipat Peantham

Senior Executive Vice President Group Head -
Government & State Enterprise Relations Group

Age 56

Appointed:

October 9, 2018

Education

- Master of Laws, Economic Law, Chulalongkorn University
- Master of Business Administration (Financing), National Institute of Development Administration
- Bachelor of Accountancy (Auditing), University of The Thai Chamber of Commerce

Training Program

- National Defence Course, National Defence College (2018)
- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- Transformative Leadership Program: Executive Session (2021)
- Digital Transformation for CEO (2020)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)
- GTB & Government Integrated Strategy to Digital Platform
- Leadership Succession Program (LSP), Institute of Research and Development for Public Enterprises (IRDP) (2018)
- One on One Executive Coaching (2017)
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and Cornell University
- FATCA for Director and Executive Officers

Number of Shares in company None

% of Shares in company None

(not changed since January 1, 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies None

Positions in Non-Listed companies None

Experience

2018 - Aug. 2022	Krungthai Bank PCL First Executive Vice President Group Head - Government & State Enterprise Relations Group
2017 - 2018	Krungthai Bank PCL Executive Vice President Sector Head - Asset Disposition Sector, Credit Restructuring & Asset Management Group
2016 - 2017	Krungthai Bank PCL Executive Vice President Sector Head - Corporate Banking Sector 3, Corporate Banking Group 1

- Modern Banking Executive Development Program:
MOBEX 2012

Number of Shares in company None

% of Shares in company None

(not changed since January 1, 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies None

Positions in Non-Listed companies

3 Non-Listed Companies

Apr. 2022 - Present Director, Krungthai Law Co., Ltd.

2019 - Present Director, KTB Leasing Co., Ltd.

2019 - Present Director and Member of the Risk
Management Committee, KTB General
Services and Security Co., Ltd.

13. Mr. Chanchai Sinsuparatn

Senior Executive Vice President Group Head -
Retail Shared Services Group

Age 59

Appointed:

December 1, 2019

Education

- MBA, Ramkhamhaeng University
- Bachelor of Arts, Ramkhamhaeng University

Training Program

- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- Transformative Leadership Program: Executive Session 2021
- IFRS9 Quick-Fix and Model Enhancement 2021
- e-Government Program for Chief Executive Officer, Class 7
- Personal Data Protection Act B.E. 2562: PDPA (Updated) (2020)
- IFRS9 Preparation for Executives (2019)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)
- Declaration of Assets and Liabilities of the State Officials to the National Anti-Corruption Commission (2019)
- Digital Transformation in Banking for Executive 2019
- Insights into Debt Collection Act (latest version), the Notifications of the Office of the Consumer Protection Board B.E. 2561(2018) and Accurate Practices for Hire Purchase and Leasing Business (2019)
- Executive Brand Solicitation 2016
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and Cornell University

Experience

Dec 2019 - Aug 2022	First Executive Vice President Group Head - Retail Shared Services Group
2014 - 2019	Executive Vice President Sector Head - Retail Loan Factory Sector, Retail Shared Services Group

14. Mr. Panabhand Hankijjakul

Senior Executive Vice President Group Head -
Internal Audit Group

Age 59

Appointed:

March 2, 2020

Education

- Master of Economics, The University of Kansas, USA
- Bachelor of Economics, University of the Thai Chamber of Commerce

Training Program

- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- Annual Audit Committee Conference KTB Group 2022 (AACC 2022)
- Enhancement of Audit Committee Roles (2022)
- Transformative Leadership Program: Executive Session (2021)
- Advanced Audit Committee Program: AACCP (2021)
- Director Accreditation Program (DAP)
- Annual Audit Committee Conference KTB Group 2021: AACC 2021
- One on One Executive Coaching 2021
- Introduction to Thai Financial Reporting Standards 9 (TFRS 9) (2020)
- Audit with New Normal (2020)

- Design thinking: Credit Process to Enhance Productivity-Efficiency (2020)
- Process for Dealing with Phishing Email Cyber Threats 2019
- Personal Data Protection Act B.E. 2562: PDPA (2019)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) Batch 2 (2019)
- Introduction to Personal Data Protection Act B.E. 2562: PDPA (2019)
- Digital Leadership for Executive (2019)
- Identity Determination and Desirable Behavior Management 2019
- Fostering Best Corporate Governance Practices (2018)
- Workshop Loan Process (2018)
- Sustainable Krungthai for Sustainable Risk Management (2018)
- Cyber Security Awareness (2018)
- Leadership Performance Development (2017)
- Behavioral Economics for Financial Institution Managers (2017)
- Annual Audit Committee C.AACC (2017)
- Thailand 4.0: Drive Organizations to Success (2017)
- Leaders as Coach (2017)
- Leadership Development Program for Executive (2016)
- Dealing with Fintech (2016)
- Credit Rating Workshop (2016)
- Executive Brand Solicitation, Krungthai Bank PCL (2016)

Number of Shares in company None

% of Shares in company None

(not changed since January 1, 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies None

Positions in Non-Listed companies None

Experience

Mar. 2020 - Aug. 2022 Krungthai Bank PCL

First Executive Vice President Group Head - Internal Audit Group

2014 - 2020

Krungthai Bank PCL
Executive Vice President Sector Head - Credit Risk Management Sector, Risk Management Group

15. Mr. Chalerm Pradidarecheep

Senior Executive Vice President Group Head - Retail Banking Sales and Distribution Group

Age 59

Appointed:

October 1, 2020

Education

- Master of Public and Private Management, National Institute of Development Administration
- Bachelor of Science, Kasetsart University

Training Program

- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- Quality Assurance (QA) Fraud Prevention Day Program 2022
- Foreign Account Tax Compliance Act (FATCA) for Individual Customers 2021
- Transformative Leadership Program: Executive Session (2021)
- Digital CEO (2020)
- Thailand HR Forum 2020 (Virtual Conference) (2020)
- Service requirement for operation (2020)
- Digital Enablement Program (2020)
- Ransomware 2020
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) Batch 2 (2020)
- Innovation Workshop 2020
- Introduction to Thai Financial Reporting Standards 9 (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) Batch 2 (2019)
- Identity Determination and Desirable Behavior Management 2019
- Process for Dealing with Phishing Email Cyber Threats 2019
- Introduction to Personal Data Protection Act B.E. 2562: PDPA (2019)
- Cyber Security Awareness
- Leadership Performance Development (2017)

Number of Shares in company 12,600 Shares

% of Shares in company 0.00009% of shares

(not changed since January 1, 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies None

Positions in Non-Listed companies

2 Non-Listed Companies

Apr 2022 - Present Director and Executive Director, Krungthai XSpring Securities Co., Ltd.

Apr 2021 - Present Director and Member of the Corporate Governance Committee, Krungthai Panich Insurance PCL

Experience

Oct 2020 - Aug 2022 Krungthai Bank PCL

First Executive Vice President Group Head - Retail Banking Sales and Distribution Group

2018 - 2020 Krungthai Bank PCL

Executive Vice President Sector Head - Metropolitan Network Sector 2, Retail Banking Sales and Distribution Group

2017 - 2018 Krungthai Bank PCL

Senior Vice President Sector Head - Metropolitan Network Sector 2, Retail Banking Sales and Distribution Group

2015 - 2017 Krungthai Bank PCL

Senior Vice President Regional Office Manager, Suan Mali Regional Office, Metropolitan Network Sector 1, Retail Banking Sales and Distribution Group

- IFRS9 Impairment Model (Quick Fix + Enhancement) Workshop (2021)
- IFRS9 Quick-Fix and Model Enhancement (2021)
- Digital Transformation in Banking & CBC2 2020 Strategic Plan (2020)
- Credit Restructuring and Debtors Management Techniques (2020)
- Corporate Restructure 2020
- Personal Data Protection Act B.E. 2562: PDPA (Updated) (2020)
- Process for Dealing with Phishing Email Cyber Threats 2019
- IFRS9 Preparation for Executives (2019)
- Introduction to Personal Data Protection Act B.E. 2562 PDPA (2019)
- Reimagining Your Business for the Digital Age (2019)
- Fostering Best Corporate Governance Practices (2018)
- 2002 ISDA Master Agreement (2018)
- Storytelling for Leaders (2018)
- Leading at the Speed of Trust (2018)
- The 7 Habits of Highly Effective People (2017)
- Leadership Performance Development (2017)
- Leaders as Coach (2017)
- Accounting Standards and Financial Reporting Standards (2016)
- Supply Chain Workshop (2016)
- Digital Banking & Inspirational Leadership (2016)

Number of Shares in company None

% of Shares in company None

(not changed since January 1, 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies None

Positions in Non-Listed companies

1 Non-Listed Companies

Apr 2021 - Present Director and Member of Investment Committee, Krungthai Panich Insurance PCL

Experience

2015 - Oct 2020 Krungthai Bank PCL
Executive Vice President Sector Head - Corporate Banking Sector 6, Corporate Banking Group 2

16. Ms. Suwanna Anantanond

First Executive Vice President Group Head - Credit Restructuring and Asset Management Group

Age 49

Appointed:

October 1, 2020

Education

- Master of Business Administration, Thammasat University
- Bachelor of Business Administration, Chulalongkorn University

Training Program

- Transformative Leadership Program: Executive Session (2021)

17. Mr. Krit Chamapisit

First Executive Vice President Group Head -
Communication and Branding Group

Age 52

Appointed:

October 1, 2020

Education

- Master of Marketing, Thammasat University
- Bachelor of Accounting, Chulalongkorn University

Training Program

- General Management DUKE University, USA
- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- RoLD 2022: Beyond Leadership
- Transformative Leadership Program: Executive Session (2021)
- Innovation Workshop (2020)
- Personal Data Protection Act B.E. 2562: PDPA (Updated) (2020)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2020)
- Introduction to Thai Financial Reporting Standards 9 (TFRS 9) (2020)
- Ransomware (2020)
- Cyber Security Awareness (2019)
- Process for Dealing with Phishing Email Cyber Threats 2019
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)
- Identity Determination and Desirable Behavior Management 2019

Number of Shares in company None

% of Shares in company None

(not changed since January 1, 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies None

Positions in Non-Listed companies None

Experience

Nov 2018 - Sep 2020 Krungthai Bank PCL

Executive Vice President Sector Head,
Communication and Branding Sector,
Communication and Branding Group

2018 - Nov 2018 Krungthai Bank PCL

Advisor to the President

2011 - 2018

Siam Commercial Bank PCL

Senior Director - Head of Corporate

Marketing & Channel Management

18. Mr. Thanakorn Karnjananut

First Executive Vice President Group Head -
Global Business Development and Strategy Group

Age 49

Appointed:

September 14, 2022

Education

- Master of International Management, Thunderbird, The American Graduate School of International Management
- Bachelor of Business Administration, Assumption University

Training Program

- Data Governance and Personal Data Protection Act B.E. 2562 (PDPA) (2022)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2021)
- Transformative Leadership Program: Executive Session (2021)
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2020)
- Innovation Workshop (2020)
- Personal Data Protection Act B.E. 2562: PDPA (Updated) (2020)
- Introduction to Thai Financial Reporting Standards 9 (TFRS 9) (2020)
- Ransomware (2020)
- Process for Dealing with Phishing Email Cyber Threats 2019
- Identity Determination and Desirable Behavior Management 2019
- Cyber Security Awareness (2018)
- Fostering Best Corporate Governance Practices (2018)
- Leadership Performance Development (2017)
- Executive Leadership Development Program (ELDP) (2015)
- Strategy and Innovation for Businesses in Asia (SIBA) (2014)

Number of Shares in company None

% of Shares in company None

(not changed since September 14, 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies None

Positions in Non-Listed companies

3 Non-Listed Companies

Jan 2022 - Present Member of the Investment Committee, Private Equity Trust for SME Growing Together 1 (PESME 1)

Jan 2022 - Present Member of the Investment Committee, Private Equity Trust for SME Growing Together 2 (PESME 2)

Nov 2021 - Present Director, Arise by Infinitas Co., Ltd.

Experience

Oct 2020 - Sep 2022 Krungthai Bank PCL
Executive Vice President Sector Head
- Human Resources Sector, Human Resources & Corporate Governance Group

May 2020 - Oct 2020 Krungthai Bank PCL
Executive Vice President, Corporate Strategy Team, Global Business Development and Strategy Group

Nov 2017 - May 2020 Krungthai Bank PCL
Executive Vice President, Project Management Team, Global Business Development and Strategy Group

- Design for Performance Change Professional Education Center (1998)
- 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 January 1, 2022)

Family Relationship with Director and Executive Officer None

Other Position as at 31 December 2022

Positions in Other Listed Companies 1 Listed Company

Jan 2022 - Present Director and Member of the Nomination and Remuneration Committee, Krungthai Card PCL

Positions in Non-Listed companies

5 Non-Listed Companies

Dec 2022 - Present Director and Member of the Risk Management Committee, Krungthai Asset Management PCL

Jan 2022 - Present Member of the Investment Committee, Private Equity Trust for SME Growing Together 1 (PESME 1)

Jan 2022 - Present Member of the Investment Committee, Private Equity Trust for SME Growing Together 2 (PESME 2)

Jan 2022 - Present Director and Executive Director, Krungthai-AXA Life Insurance PCL

Nov 2021 - Present Director, Infinitas by Krungthai Co., Ltd.

Experience

Nov 2021 - Dec 2022 Director, Arise by Infinitas Co., Ltd.
2018 - 2021 CEO, Central JD Fintech
2017 - 2018 Chief Customer Officer, Central Group, Bangkok, Thailand

19. Mr. Rungruang Sukkirdkijiboon

Advisor to the President,

Acting Group Head -

Retail Banking Product & Strategy Group

Age 52

Appointed:

July 9, 2021

Education

- MBA, University of Arkansas at Little Rock, Arkansas, USA
- Bachelor of 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)

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.

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	Krungthai	Subsidiaries ⁽¹⁾									Associate companies ⁽¹⁾						Related Companies							
																	Other Companies ⁽²⁾	Companies with joint Directors						
		1	2	3	4	5	6	7	8	9	1	2	3	4	5	6		1	1	2	3	4	5	6
Directors																								
Mr. Krisada Chinavicharana	XX																	X						
Mr. Krairit Euchukanonchai	A					XX		XX											XX	X	X	X	XX	
Mr. Vichai Assarasakorn	X																							XX
Mr. Thanwa Laohasiriwong	X																							
Prof. Dr. Kittipong Kittayarak	X																							
Mr. Teerapong Wongsiwawilas	X																		X					
General Tienchai Rubporn	X																							
Mr. Poonnis Sakuntanaga	/																							
Mr. Lavaron Sangsnit	/																							
Dr. Kulaya Tantitemit	X																							
Ms. Jiraphon Kawswat	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											
Ms. Saranya Vejajkul	M					X					X		/											
Mr. Santi Parivisutt	M		X																					
Mr. Suppawat Wadhanapatee	M																							
Mr. Tawatchai Cheevanon	M				XX										X									
Mr. Pongsit Chaichutpornasuk	M	XX			X																			
Mr. Kittipat Peantham	M																							
Mr. Chanchai Sinsuparatn	M	X	X							X														
Mr. Panabhand Hankijjakul	M																							
Mr. Chalerm Pradidarecheep	M										/		X											
Ms. Suwanna Anantanond	M												X											
Mr. Krit Chamapisit	M																							
Mr. Thanakorn Karnjananut	M								X															
Mr. Rungruang Sukkirdkijpiboon	M			X			X	X			/													

Symbols	XX = Chairman	A = Mr. Krairit Euchukanonchai holds the following positions in KTB.	B = Mr. Payong Srivanich holds the following positions in KTB.
	/ = Executive Director	- Vice Chairman	- President
	X = Director	- Chairman of the Board of Executive Directors	- Executive Director
	C = President		- Director
	M = Senior Executive		

- 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																										
		Companies with joint Directors																				Companies with joint Senior Executive					
		8	9	10	11	12	13	14	15	16	17	18	19	20	21	1	2	3	4	5	6						
Directors																											
Mr. Krisada Chinavicharana	XX																										
Mr. Krairit Euchukanonchai	A																										
Mr. Vichai Assarasakorn	X	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	/											/															
Mr. Lavaron Sangsnit	/												X														
Dr. Kulaya Tantitemit	X													X													
Ms. Jiraphon Kawswat	X																										
Mr. Payong Srivanich	B																XX										
Group head or equivalent																											
Ms. Praralee Ratanaprasartporn	M																										
Mr. Weerapong Suppasedsak	M																										
Mr. Suratun Kongton	M																									X	
Mr. Rawin Boonyanusasna	M																X										
Mr. Ekachai Techawiriyakul	M																										
Ms. Saranya Vejagul	M																										
Mr. Santi Parivisutt	M																										
Mr. Suppawat Wadhanapatee	M																										
Mr. Tawatchai Cheevanon	M																	XX	X			X					
Mr. Pongsit Chaichutpornsuk	M																			XX							
Mr. Kittipat Peantham	M																										
Mr. Chanchai Sinsuparatn	M																										
Mr. Panabhand Hankijjakul	M																										
Mr. Chalerm Pradidarecheep	M																										
Ms. Suwanna Anantanond	M																										
Mr. Krit Chamapisit	M																										
Mr. Thanakorn Karnjananut	M																										
Mr. Rungruang Sukkirakjipiboon	M																										

Subsidiaries ⁽¹⁾

1. Krungthai Law Co., Ltd.
2. KTB General Services and Security Co., Ltd.
3. Krung Thai 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.

Associate companies ⁽¹⁾

1. Krungthai-AXA Life Insurance PCL.
2. Krungthai XSpring Securities Co.,Ltd.

3. Krungthai Mizuho Leasing Co., Ltd.

4. Krungthai Panich Insurance PCL.
5. BCI (Thailand) Co., Ltd.
6. National ITMX Co.,Ltd.

Related Companies**Other Companies ⁽²⁾**

1. Dhipaya Group Holdings PCL.

Companies with Joint Directors

1. PTT PCL.
2. PTT Exploration and Production PCL.
3. Advanced Info Service PCL.
4. Advanced Wireless Network Co.,Ltd

5. 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. Global Green Chemicals 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 Executive

1. CMDF Digital Infrastructure Co.,Ltd.
2. Cycling Cloud Co.,Ltd.
3. InnoSpace (Thailand) Co.,LTD.
4. Innopower Co.,Ltd
5. PTT Oil and Retail Business PCL.
6. Dhipaya Insurance PCL.

Attachment 3 Details of Head of Internal Audit, Head of Compliance, Chief Financial Officer (CFO), Chief Accountant and Company Secretaries

Head of Internal Audit

Mr. Panabhand Hankijjakul
Senior 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 is shown in Attachment 1.)

Head of Compliance

Ms. Dujhathai Somboonitaya
First Executive Vice President Sector Head
Compliance and Procedures Sector

Position Taking Date

September 10, 2021 - Present

Education

- Bachelor of Laws, Faculty of Law, Thammasat University

Training

- Global Contract Management Course, George Washington University
- Head of Compliance Program Course, The Thai Bankers Association / Association of Thai Securities Companies

Work Experience in the Past 5 Years

- Year 2008-2009 Senior Vice President Department Head, Legal Affairs Department, Krungthai Bank PCL
- Year 2009-2020 Senior Vice President, Executive, Corporate Banking Compliance Group, Siam Commercial Bank PCL.

Current Position

First Executive Vice President Sector Head, Compliance and Procedures Sector, Krungthai Bank PCL.

Responsibilities of Regulatory Compliance

Responsibilities of Regulatory Compliance are to oversee the regulatory compliance and ensure that the Bank and its business units operate the business in accordance with relevant laws and regulations prescribed by the regulators, namely the Bank of Thailand, the Securities and Exchange Commission, the Stock Exchange of Thailand and the official authorities as well as providing advice on regulatory compliance practices. The responsibility has been assigned as the coordinated agent to facilitate cooperation between the regulators and the official authorities and the internal business units of the Bank. In addition, the responsibility has to communicate to the internal units of the Bank about the new and amendment of law and regulations.

Corporate Secretary

Mr. Pongsit 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 annual 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 annual general meeting
- 6) Provide appropriate recommendations to Directors concerning legal matter, rules and regulations of the Bank
- 7) Oversee the corporate governance matters
- 8) Be a consultant and coordinate with the secretaries of the respective Committees
- 9) Contact and communicate with shareholders to inform about various rights of shareholders and update news of the Bank
- 10) Perform any other actions as specified in the Notification of the Capital Market Supervisory Board

(The biography, namely education, training, other current positions and work experiences is shown in Attachment 1)

Chief Financial Officer (CFO)

Ms. Saranya Vejikul
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, and overseeing the overall financial plan of the Bank to be in accordance with its strategy. Inclusively, this includes overseeing the management of the Bank's information system for effective internal management and reporting to external regulators.

(The biography, namely education, training, other current positions and work experiences is shown in Attachment 1)

Chief Accountant

Mr. Kanok Suwanaratana
Senior 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

- Overview of Digital Assets and Related Businesses (2022)
- Perspectives and Practices of Accounting and Transactions Related to Digital Asset Business Tax (2022)
- Data Governance and Personal Data Protection Act B.E. 2562 (2022)
- Case Studies on Personal Data Breaches (2022)
- Business Strategic Plan (2022)
- Digital Assets - History, the End, and the Importance of Private Key and Related Accounting (2022)
- Overview of Changes in Financial Reporting Standards and Classification of Investment Items (2022)
- Accounting for Derivatives and Hedge Accounting (Basic Course) (2022)
- Sustainable Business Operation and Related Accounting (2022)
- Intangible Assets and Cloud Computing (2022)
- Third Party Risk Management by the Bank of Thailand (BOT) (2022)
- Certified Public Accountant (CPA) (Membership Fee) (2021)
- 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)
- 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
- 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.](#)
 - January 2022 - Present Senior Vice President Department Head
Accounting Department, Financial Management Group
 - May 2019 - December 2021 First Vice President Department Head,
Accounting Department, Financial Management Group
 - March 2018 - April 2019 First Vice President, Financial Management Group
- [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

-None-

Attachment 5 Policy and Practice Guidelines on Corporate Governance (full Version)

Corporate Governance Policy and Guidelines

The Bank has a policy to conduct business in accordance with good corporate governance principles by taking into account transparency, integrity, fairness and responsibility to all groups of stakeholders. The Bank adheres to ethics and morality according to good governance principles in order to be an efficient organization with excellence and foundation for sustainable and stable business operations. A written corporate governance policy has been set forth, including revising and updating. The policy was stipulated and published for the first time in 2002 and has been revised to elevate the Bank's corporate governance standards continuously by adhering to corporate governance principles that are internationally and domestically accepted. The principles are such as Corporate Governance of Organisation for Economic and Co-operation Development (OECD), the Principles of Good Corporate Governance for Listed Companies, Corporate Governance Code (CG) of the Securities and Exchange Commission and the Thai Institute of Directors, etc. These aforementioned CG-related principles cover policies and practices related to the Board of Directors, shareholders and other stakeholders. The Board of Directors, executives and employees at all levels throughout the organization have acknowledged and adhered to the corporate governance policy as the main principle in performing their duties. Consequently, the Bank aims to be an organization with a good corporate governance culture, where it will build confidence among all shareholders and stakeholders. This will benefit the Bank to have sustainable growth. In this regard, the Bank has published its corporate governance policy in both Thai and English versions that can be downloaded from the Bank's website.

Corporate Governance (full version) is posted on the Bank's website, www.krungthai.com, on the menu About Us -> Corporate Governance -> Corporate Governance Policies

Code of Conduct

Krungthai Bank has established important regulations and guidelines that are consistent with employees code of conduct. Employees of the Bank and companies in the Bank's financial business group are informed of work operation details and code of conduct in order to be in line with the nature of business and regulatory requirements.

In 2022, the Bank reviewed the Code of Conduct to ensure that it is up-to-date and consistent with the organizational structure. Moreover, the Bank created online educational media about employees' code of conduct throughout the year for all executives and employees. In this regard, the Bank aims to enhance the understanding among executives and employees in performing their duties with responsibilities, accuracy, and appropriateness in an attempt to promote sustainable business operations.

Code of Conduct (full version) is posted on the Bank's website, www.krungthai.com, on the menu About Us -> Corporate Governance -> Code of Conduct

Charter of the Board of Directors and Charters of Each Committee

Charter of the Board of Directors and charters of each committee is revealed on the Bank's website, www.krungthai.com, on the menu About Us -> Corporate Governance -> Charter of Board, which consists of

- Charter of the Board of Directors
- Charter of the Board of Executive Directors
- Charter of the Audit Committee
- Charter of the Corporate Governance and Social Responsibility Committee
- Charter of the Nomination and Remuneration Committee
- Charter of the Risk Oversight Committee
- Charter of the Compliance Committee
- Charter of the Independent Directors Committee

Attachment 6 Report of the Audit Committee

Report of the Audit Committee

The Audit Committee of Krungthai Bank PCL consists of three (3) qualified Independent Directors namely:

- | | | | |
|----|------------------|--------------|---------------------------------|
| 1. | Mr. Vichai | Assarasakorn | Chairman of the Audit Committee |
| 2. | General Tienchai | Rubporn | Member of the Audit Committee |
| 3. | Ms. Jiraphon | Kawswat | Member of the Audit Committee |

Mr. Panabhand Hankijjakul, Senior Executive Vice President - Head of Internal Audit Group, is the secretary for the Audit Committee.

During 2022, Mrs. Nitima Thepvanangkul resigned from the position of the Director on September 28, 2022. Ms. Jiraphon Kawswat, thereafter, was appointed as a member with effect from October 26, 2022.

The Audit Committee performed activities according to its duties and responsibilities identified in the Audit Committee Charter. This is in line with the Best Practice of the Securities and Exchange Commission and the regulations of the Ministry of Finance. The Committee placed emphasis on a structured, good corporate governance, risk management system and adequacy of internal control establishment. Additionally, the Committee also places importance on the efficient and effective internal audit process that is corresponding to the strategy of the Bank. The Committee provided an oversight and direction to the Internal Audit Group in order to serve as a trusted advisor for long-term and sustainable value and development. Highlight of the Audit Committee's performance as follows:

- Emphasize on risk culture with the intention to support the Bank's operations in compliance with the principles of good governance and having strong internal controls that accommodate business changes through the continuous implementation of the Krungthai Moral Initiatives (One Unit, One Sustainable Plan). The Committee supported the establishment of a working group consisting of employees from the Three Lines of Defense units and the implementation of the GRC Platform to help drive the process according to the Three Lines Model. The Committee also placed importance on the development of tools to detect conspiracy fraud with the purpose of preventing the damage that may post to the Bank.

- 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 risks that may initially occur. In 2022, the Internal Audit Group proactively applied preventive audit approach to prevent recurring errors. Lesson-learned workshop was conducted with collaboration from all Three Lines of Defense members to develop sustainable solutions.

- Support the implementation of technology tool that can automate repetitive and manual tasks in the audit process. By adopting Robotic Process Automation (RPA), 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 post to the Bank. In 2022, the Internal Audit Group developed the Rule Base by emphasizing auditing retail credit processes, Market Conduct activities, along with Limited Broker, Dealer and Underwriter (LBDU) activities, as well as working with the Technology Group to apply RPA to assist in retail credit auditing in order to reduce steps and utilize personnel effectively.

- Encourage the Bank's employees to get together and brainstorm with the intention of seeking for solutions and/or new ideas that can be used to initiate innovation, develop/improve work processes to be up-to-date and reduce errors through the Krungthai Hackathon project.

- Encourage all employees in the Internal Audit Group to maintain their continuing professional education, competence, and essential skills necessary to conduct audits professionally and efficiently. The purposes are to support the Bank's business operations and the digital banking business trend.

During the year 2022, the Audit Committee held 26 meetings in total with the objectives to consider related issues with the Management, top executives, and external auditors. The Audit Committee reported the operation results to the Board of Directors on a monthly basis. The meeting attendance of the Audit Committee is as follows:

Audit Committee		Meeting Attendance
Mr. Vichai	Assarasakorn	26
General Tienchai	Rubporn	26
Mrs. Nitima	Thepvanangkul	18
Ms. Jiraphon	Kawswat	5

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 statements. 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 behaviors 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 2022, 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. In 2022, there is no connected transaction or no conflict of interest that is entitled to require consideration from the Audit Committee.

Review the Risk Management

The Audit Committee reviewed the risk management of the Bank and financial business group. Additionally, the Committee followed up the operation results of risk management through the summary report from the Risk Oversight Committee on quarterly basis to ensure that the risk management of the Bank in each field was appropriate, effective and the risk was at the acceptable level. In the meantime, the Committee monitored both internal and external challenging situations that affected the Bank, especially paying attention to the close monitoring of debt quality, the adequacy of provisions, and NPL and NPA management processes.

Review the Effectiveness of Internal Control System

The internal control assessment report was reviewed according to the standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the regulation of the Ministry of Finance regarding Internal Control Standard and Practical Guideline for Government Agency B.E. 2561 (2018). The Committee monitored the establishment of the internal control system and the internal control self-assessment form in order to ensure that the Bank's internal control system is appropriate, adequate, and consistent with good corporate governance and proper risk management principles.

Review the Compliance Operations

The Audit Committee regularly reviewed the compliance with laws and regulations related to the Bank's business operations. Regarding to this, the Committee regularly 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.

Oversight 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 and annual audit plan. The Committee also 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 more efficient operations, the Committee also provided recommendations and supervised the appropriate and fair handling of complaints or whistleblowing to all related parties, along with approving the review plan for credit transactions and following up on the plan's implementation and the review results of the Credit Review Department.

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 Good Practice of the Stock Exchange of Thailand. This was 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 to enhance the efficiency of the Committee's performance.

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 2022, 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, and auditor independence in accordance with the regulations prescribed by the Bank of Thailand and the Office of the Securities and Exchange Commission. The Committee also considered the appropriateness of the audit fee and using other services of the auditors to ensure that it would not affect the auditor's independence in providing audit services.

The Audit Committee has completely performed its duties as assigned and using its knowledge and experience with the utmost care and independence as well as having been forthcoming in expressing its opinions for the benefit of the Bank. The Audit Committee performs its duties and responsibilities as assigned by the Board of Directors and complies with the responsibilities specified in the Audit Committee Charter with prudence and independence. All the opinions expressed are straightforward, transparent, verifiable, and in line with good corporate governance principles. In addition, the Committee provides 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 were complete, reliable, and consistent with the Financial Reporting Standards. Meanwhile, the auditor is independent and performs his/her duty due to his/her 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 is put in place to ensure the Bank is in compliance with relevant requirements and regulations.



(Mr. Vichai Assarasakorn)

Chairman of the Audit Committee

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This Form 56-1 One Report 2022 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.

Designed and Printed by
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