krungsri
กรุงศรี

A member of MUFG
a global financial group



RESILIENT TRANSFORMATION

A New Paradigm for Sustainability

ANNUAL REPORT 2020



RESILIENT TRANSFORMATION

A New Paradigm for Sustainability

In spite of crisis and disruptions, Krungsri,
as a Domestic Systemically Important Bank (D-SIB),
strives to deliver sustainability impacts encompassing
economic, social, and environmental determinants through
equitable and inclusive financial services, supported by
our superior expertise and financial innovation.


RETHINK







Amidst the unprecedented global health crisis and unwavering in our commitments, we press forward with our mission to provide financial services under the 'new normal' context with utmost determination and sincerity.

REIGNITE







We inspire hopes while battling obstacles.
We support our customers at every step of the way.
Together, we shall overcome all challenges and
emerge greater and stronger.



RESILIENT







Steadfast in our role as a financial intermediary, through our services, Krungsri continues to progress in terms of both financial support and innovations to assist all stakeholders facing any emerging changes and challenges, with a shared aim to sustainably recover and remain strong.

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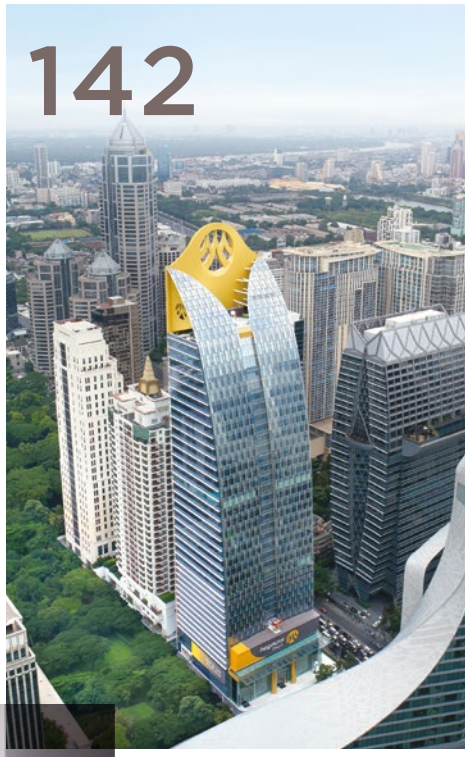
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GENERAL INFORMATION

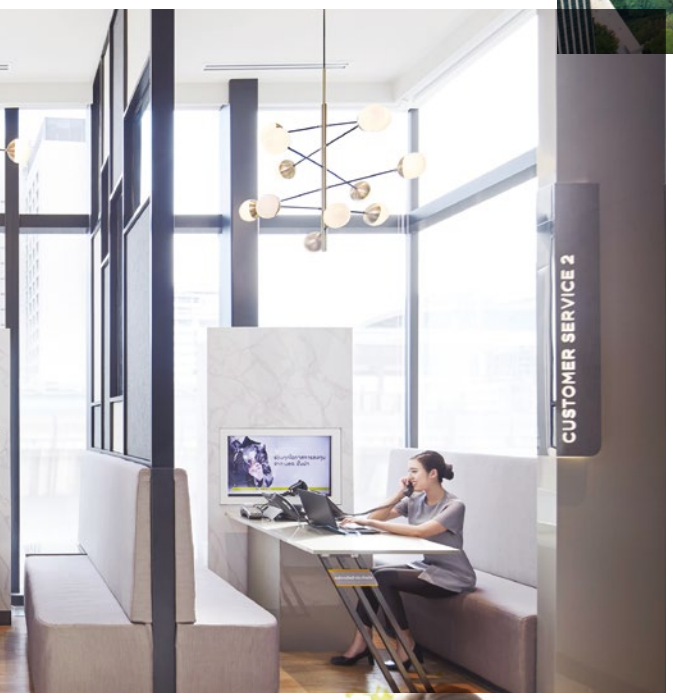
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MISSION

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

VISION

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



CORE VALUES

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

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

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

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

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

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



BOARD OF DIRECTORS' REPORT



The year 2020 marked the successful conclusion of Krungsri's Second Medium-Term Business Plan, amidst waves of the COVID-19 pandemic, which brought severe socioeconomic impacts to Thailand and the international community.

Under the Second Medium-Term Business Plan, which encompassed 2018 to 2020, the attainment of our aspiration to be a top-tier financial group in Thailand was reflected in our financial strength and resilience, as well as our proven accountability and commitment to environmental, social, and corporate governance responsibilities, with the recognition of 40 awards, including being the first in the country to be named FinanceAsia's Country Award winner as the Best Sustainable Bank in Thailand.

Proud to achieve such marks of recognition, the Board of Directors would like to credit Krungsri's management and employees, whose dedication and agility have shaped the Bank's sustained and progressive accomplishments amid considerable challenges.

As a Domestic Systemically Important Bank (D-SIB), Krungsri in 2020 has demonstrated not only our resiliency to the pandemic crisis, but also our commitment to function as a responsible intermediary; while we actively responded to our clients' liquidity needs, we also developed innovative financing solutions, accelerated digitization in our operations, and prioritized sustainability, even as we reimagined business models.

Paving the way for future sustainable development, 2020 also exhibited significant advancement under Krungsri's regional aspirations. We successfully secured a commercial banking license for Hattha Bank Plc. in Cambodia and completed the acquisition of a 50-percent stake in SB Finance Company, Inc. (SBF) in the Philippines, a leading consumer finance subsidiary of the Philippines' Security Bank Corporation (SBC).

Looking ahead, while witnessing the unprecedented global megatrends and risks, encompassing, among others, geopolitical shifts, regionalization, post-pandemic landscapes, as well as accelerated customer digital adoption and disruptive technological innovation, together with stakeholders' interests, and assessing our current position and competitive strength, the Board of Directors approved a strategic framework to guide our business undertakings for the next three years (2021-2023) under the new Medium-Term Business Plan.

Under the new plan, we aspire to be 'the preferred Thai bank connecting customers' needs across ASEAN', winning customers' trust and confidence across all segments. While we will maintain customer centricity as our core strategic directive governing our actions, key strategic thrusts include sustainability, data-driven organization transformation, ASEAN focus, and business operation excellence. We also intend to fully leverage the opportunities presented under a new business paradigm entailing an ecosystem and partnerships, as well as regionalization prospects.

2021 will be a year of gradual, though uneven, recovery for Thailand; while COVID-19 vaccines are being distributed, we stand ready to continue our support for clients working to overcome any emerging challenges. Furthermore, Krungsri's primary mandate under the recovery phase will be to reignite the economy, thus adhering to our corporate purpose in our contributions to both financial sector stability and advancement as well as socioeconomic growth and the sustainable development of Thailand.



Karun Kittisataporn
Chairman



Noriaki Goto
Vice Chairman

MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER



Krungsri delivered a robust operating performance in 2020 despite the difficult market conditions caused by the COVID-19 pandemic. Krungsri's rigorous risk management and sound governance, as well as our responsible corporate purpose in helping our customers and the overall economy to endure the public health crisis, together with our speed and agility in implementing effective assistance measures and other necessary adjustments, successfully sustained both customers' and Krungsri's financial and business operations.

One prominent action in 2020 comprised multiple lending rate cuts in support of the central bank's policy rate cuts aimed at lessening impacts of the economic retrenchment and reducing customers' financing costs. Other preemptive measures to alleviate financial burdens for both businesses and households facing financial distress included a grace period on loan and interest payments, an installment period extension, soft loan facilities, as well as additional liquidity support.

As of December 31, 2020, total loans outstanding under Krungsri's customer relief programs accounted for approximately 29 percent of total loans outstanding, amounting to 531,551 million baht, and representing 1,414,340 retail customer accounts and 37,216 commercial customers. For SMEs, additional credit facilities of 20,940 million baht were offered to 6,758 SME customers to boost their liquidity under the Bank of Thailand (BOT)'s and the Government Savings Bank's soft loan programs.

With our financial stability and competitive strength, Krungsri outperformed our Domestic Systemically Important Bank (D-SIB) peers with prominent achievements in 2020. Krungsri became the first Thai bank to be named the Best Sustainable Bank in the country by FinanceAsia, in recognition of gender bonds, our innovative financial inclusion product. We were also recognized as one of the most secure financial institution groups of Thailand, as reflected in our highest credit ratings from Fitch Ratings and our strongest asset quality, with the industry's lowest NPL ratio at 2.00 percent, and a high coverage ratio at 175.1 percent. Our capital position remained sufficiently robust to not only cope with any emerging uncertainties but also for financing customers' future business expansion requirements, with a capital adequacy ratio (CAR) at 19.1 percent.

Regarding other key financial metrics, our net profit amounted to 23,040 million baht, a decrease of 3,901 million baht or 14.5 percent from normalized net profit in 2019, largely attributed to the prudent, pro-cyclical provision totaling 36,644 million baht reserved during the year. Return on equity (ROE) was strong at 8.3 percent, the highest among leading Thai banks. Meanwhile, loans and deposits continued to grow in 2020 at 0.8 percent and 17.1 percent, respectively.

On other developmental fronts, guided by our strategic 2018-2020 Medium-Term Business Plan, we secured multiple achievements in 2020 including sustaining our leadership position in the consumer finance domain, attaining a new regional expansion milestone with the successful acquisition of the Philippines' SB Finance Company, Inc. (SBF), and the formation of an ecosystem in partnership with Grab Holdings Inc.

Building on Krungsri's inaugural social bond issued in the preceding year, in 2020 we continued to set new industry standards through underwriting innovative products and services in support of social, economic, and environmental development, including the first sovereign issuances of green, social, and sustainability bonds, as well as the world's pioneer green bonds to finance forest conservation certified by the Climate Bonds Initiative (CBI).

Reflecting on our corporate sustainability endeavors, our market share for ESG underwriting reached a remarkable 31 percent, and equally important, we were presented with 15 ESG and IR excellence awards in 2020, including the 'Platinum' category from The Asset on ESG and 'Best IR Professional' from Corporate Governance Asia. We are greatly honored by these marks of recognition for our achievements, and our stakeholders' trust in Krungsri's strength.

2021 will be the first fiscal year under the new Medium-Term Business Plan (2021-2023). Amid the uncertainties surrounding the Thai banking sector and economy, Krungsri will continue our journey on a robust and sustainable growth path, focusing on the year's priorities, namely, supporting the recovery of our customers and the greater Thai society in the post-pandemic landscape, continuing on our customer-centric journey, pioneering ESG products and services, persisting in our pursuit of ASEAN business opportunities, and forming ecosystems across different industries and partnership platforms, while strengthening our organization's agility and data analytics capabilities. At the same time, we will continue to leverage MUFG's global strength, immense financial portfolio, and extensive partnership networks in support of our aspiration to be 'the preferred Thai bank connecting customers' needs across ASEAN'.

On behalf of our management, I would like to thank our valued customers, shareholders, employees, and all other stakeholders for your continued support, and wish to reiterate our commitment to conducting our business with the utmost responsibility, attaining complete trust and confidence among all of our stakeholders.



Seiichiro Akita
President and Chief Executive Officer

BOARD OF DIRECTORS



6 5 4 2 1 3

1. **Mr. Karun Kittisataporn**
   Chairman
   Independent Director

2. **Mr. Noriaki Goto**
   Vice Chairman
   Nomination and Remuneration Committee Member

3. **Mr. Seiichiro Akita**
   Executive Director
   Chairman of the Executive Committee

4. **Mr. Pornsanong Tuchinda**
   Executive Director
   Executive Committee Member

5. **Miss Junko Kawano**
   Director

6. **Mr. Toru Matsuda**
   Director
   Risk and Compliance Committee Member



8 | 7 | 12 | 11 | 9 | 10

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

8. Miss Potjanee Thanavaranit
Independent Director
Chairman of the Audit Committee

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

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

11. Mrs. Tongurai Limpiti
Independent Director
Audit Committee Member
Risk and Compliance Committee Member

12. Miss Duangdao Wongpanitkrit
Executive Director
Executive Committee Member

SENIOR MANAGEMENT



8 3 6 7 2 1 5 4

1. **Mr. Seiichiro Akita**
   President and Chief Executive Officer

2. **Mr. Pornsanong Tuchinda**
   Head of Commercial Banking

3. **Mr. Yoshiyuki Horio**
   Head of JPC/MNC Banking

4. **Mr. Dan Harsono**
   Head of Retail and Consumer Banking
   (Until December 31, 2020)

5. **Mrs. Voranuch Dejakaisaya**
   Chief Information and Operations Officer
   (Until December 31, 2020)

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

7. **Mr. Tak Bunnag**
   Head of Global Markets Group
   (Until December 31, 2020)

8. **Mr. Phonganant Thanattrai**
   Head of Retail and Consumer Banking
   (Effective January 1, 2021)



10 | 12 | 9 | 11 | 13 | 14 | 15 | 16

9. **Miss Duangdao Wongpanitkrit**
Chief Financial Officer

10. **Mr. Pairote Cheunkrut**
Chief Strategy Officer

11. **Mr. Sayam Prasitsirigul**
Chief Information and Digital Officer
(Effective January 1, 2021)

12. **Miss Puntipa Hannoraseth**
Head of Internal Audit Group

13. **Mr. Vasin Udomratchatavanich**
Chief Human Resources Officer

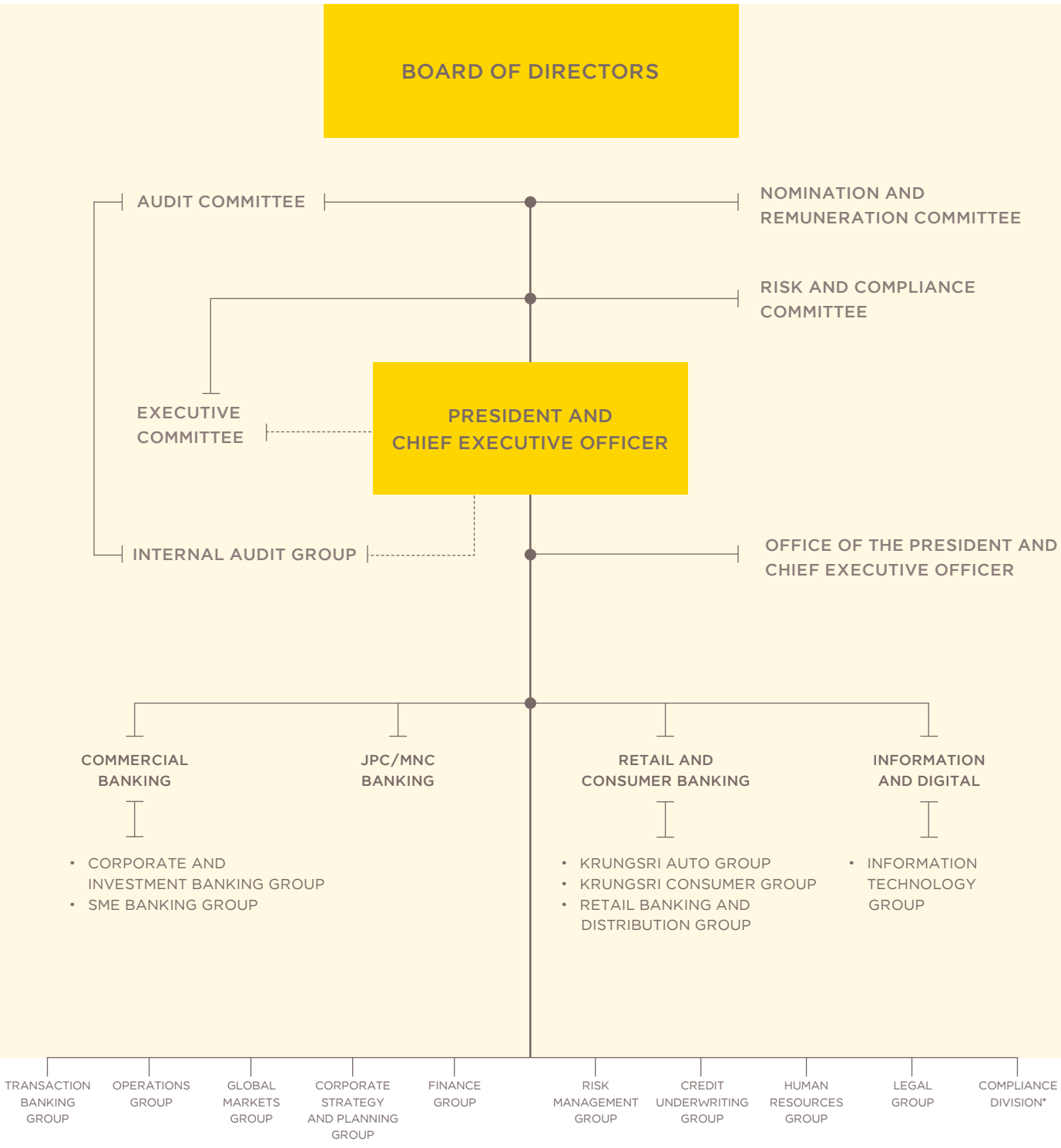
14. **Miss Nayanee Peaugkham**
Head of Krungsri Consumer Group

15. **Mrs. Kittiya Srisanit**
Head of Krungsri Auto Group

16. **Miss Duangkamol Limpuangthip**
Head of SME Banking Group

ORGANIZATION STRUCTURE

(AS OF JANUARY 1, 2021)



* The Compliance Division reports directly to the Risk and Compliance Committee.

OUR CORPORATE GOVERNANCE

The Board of Directors recognizes that good corporate governance is a foundation for the sustainable growth of the organization and a significant element in facilitating the organization's competitiveness, adaptation under dynamic environment, effective and transparent business operations, as well as fulfilling our duties to stakeholders, society, and the environment. Krungsri Group strives to continually develop and enhance corporate governance by operating businesses with ethics and responsibility to stakeholders in parallel with delivering good operating performance as well as supporting sustainable development of the economy, society, and environment. Krungsri also encourages its employees to perform their duties in accordance with international good corporate governance principles in order to enhance confidence among shareholders, investors, and stakeholders, as well as add long-term value to Krungsri's business.

Krungsri prioritizes and adheres to good corporate governance criteria stipulated by regulatory bodies, i.e. the Bank of Thailand, the Securities and Exchange Commission, Thailand, the Stock Exchange of Thailand, and the Thai Institute of Directors Association. The Board of Directors annually reviews the appropriateness of implementing such criteria as well as assigning and overseeing relevant functions for proper implementation and correlation to Krungsri's business. In 2020, the Board of Directors reviewed the Principles and found that most of them have already been applied; however, some are sensitive and complicated, so the Board of Directors resolved that their implementation should be suspended. Nonetheless, other preventive and control measures against those issues are already in place so as to ensure good corporate governance.

Krungsri ensures compliance with good corporate governance principles, as evidenced below:

- There has been no case involving an accusation or fine imposed due to misconduct or violation of the regulations of the Bank of Thailand, the Securities and Exchange Commission, Thailand, the Stock Exchange of Thailand, or the Office of Insurance Commission.
- There has been no case of fraud or violation of moral standards;
- No non-executive director has resigned for a reason related to Krungsri's corporate governance;
- There has been no case of defamation resulting from a failure of the Board of Directors to perform its supervisory duty;
- During the past two years, no directors or senior executives have worked for or been a partner of the outside audit company which provides services to Krungsri.

Report of the Board of Directors' Responsibility for Financial Reporting is prepared for inclusion in the Annual Report, to enhance shareholders' and investors' confidence that the report reflects the actual financial status and operating performance of Krungsri.

As for select criteria from the Thai Corporate Governance Code for Listed Companies 2017 (CG Code) prescribed by the Securities and Exchange Commission, Thailand, which Krungsri has not yet applied, Krungsri has already presented the matter to the Board of Directors for consideration, and it was reported in the Minutes of the Board of Directors Meeting as follows:

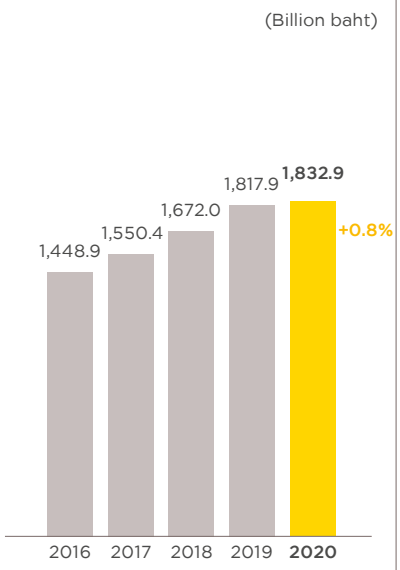
1) Regarding the policy that independent directors shall not hold the position for more than nine consecutive years since the first-time appointment date, Krungsri planned to apply this policy from the Annual General Meeting of Shareholders Year 2022 onwards, in accordance with the Bank of Thailand's notification No. FPG. 10/2561 Re: Corporate Governance of Financial Institutions, dated May 22, 2018, with the transitional provision of the aforesaid notification stipulating that independent directors who had held the position for more than nine consecutive years before the effective date of the notification could continue to hold their position, but not beyond May 1, 2022.

2) Currently, there are two independent directors serving as members of the NRC, or 50 percent of the total number, and the Chairman is the independent director who shall cast the deciding vote in case of a tie vote. This is to ensure the independence of the Committee.

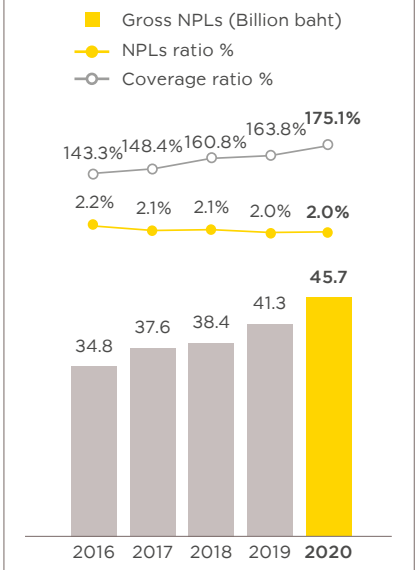
FINANCIAL HIGHLIGHTS

(CONSOLIDATED)

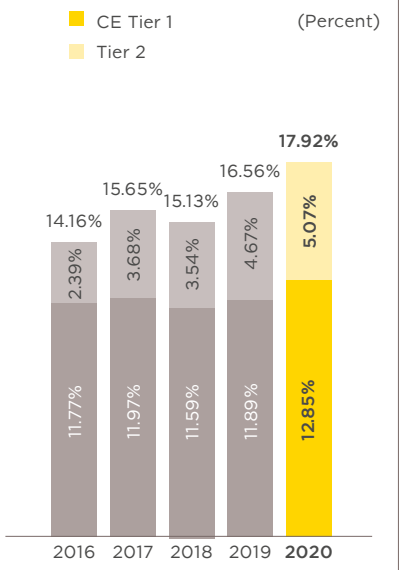
LOANS TO CUSTOMERS



NPL RATIO

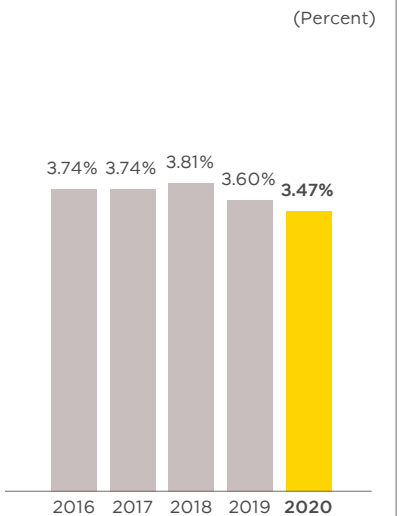


CAPITAL ADEQUACY RATIO 1/

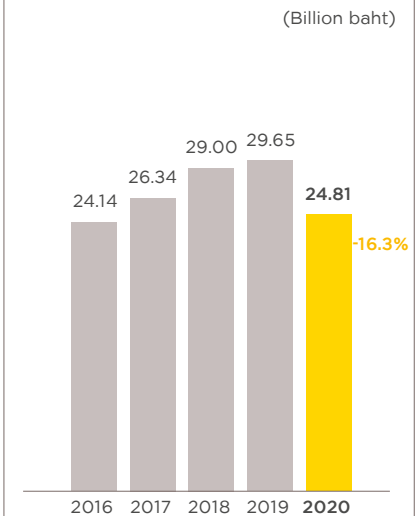


1/ Bank only

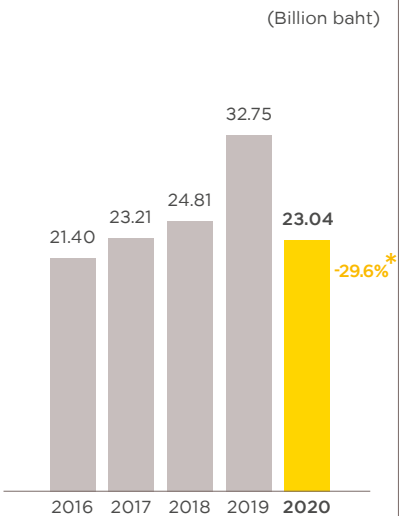
NET INTEREST MARGIN (NIM)



FEES AND SERVICE INCOME



NET PROFIT 2/



2/ Attributable to equity holders of the Bank

* Net profit decreased by 14.5% from normalized net profit in 2019 (excluding one off items).

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

CONSOLIDATED FINANCIAL STATEMENTS

		2020 (TFRS 9)	2019	2018	2017	2016
Financial position information (Million Baht)						
Total assets		**2,609,374**	2,359,592	2,173,622	2,088,772	1,883,188
Loans to customers [1/]		**1,832,935**	1,817,877	1,672,018	1,550,404	1,448,882
Allowance for expected credit loss / Allowance for doubtful accounts		**76,407**	67,384	61,360	55,476	49,462
Net NPLs [2/]		**20,461**	19,164	16,455	16,243	15,653
Gross NPLs [2/]		**45,672**	41,334	38,446	37,622	34,834
Total liabilities		**2,320,195**	2,087,476	1,929,904	1,862,785	1,674,420
Deposits		**1,834,505**	1,566,885	1,426,348	1,319,229	1,108,288
Total shareholders' equity		**289,179**	272,116	243,718	225,987	208,768
Operating performance (Million Baht)						
Interest income		**108,062**	110,455	107,132	94,998	85,925
Interest expenses		**26,758**	34,032	31,804	26,463	23,948
Interest income, net		**81,304**	76,423	75,328	68,535	61,977
Fees and service income, net		**17,564**	21,777	21,248	19,675	18,175
Non-interest and non-fee income		**15,119**	23,408	13,003	12,270	11,335
Other operating expenses		**48,465**	52,169	51,741	48,210	43,080
Expected credit loss / Impairment loss of loans and debt securities		**36,644**	28,203	26,180	22,970	21,315
Net profit [3/]		**23,040**	32,749	24,813	23,209	21,404
Financial ratios						
Return on average assets	(%)	**0.93**	1.44	1.16	1.17	1.19
Return on average equity	(%)	**8.25**	12.76	10.61	10.71	10.74
Net profit per share	(Baht)	**3.13**	4.45	3.37	3.16	2.91
Cost to income ratio	(%)	**42.52**	42.90	47.22	47.98	47.09
Capital adequacy ratio [4/]	(%)	**17.92**	16.56	15.13	15.65	14.16
Common Equity Tier 1 ratio [4/]	(%)	**12.85**	11.89	11.59	11.97	11.77
Book value per share	(Baht)	**39.31**	36.99	33.13	30.72	28.38
Loans to deposit ratio	(%)	**99.91**	116.02	117.22	117.52	130.73
Loans to deposit plus debenture and bills of exchange ratio	(%)	**95.71**	108.37	108.93	109.53	116.90
Net NPLs / loan [5/]	(%)	**0.90**	0.93	0.90	0.90	1.00
Gross NPLs / loan [6/]	(%)	**2.00**	1.98	2.08	2.05	2.21
Coverage ratio	(%)	**175.12**	163.82	160.76	148.43	143.25

Remark: [1/] Loans to customers less deferred revenue for 2016 - 2019
[2/] Non-performing loans (NPLs) are defined as stage 3 Non-performing loan account in accordance with BOT's Notification.
[3/] Attributable to equity holders of the Bank
[4/] Bank only
[5/] Represents percentage of net NPLs divided by loans including money market loans less NPLs reserves
[6/] Represents percentage of gross NPLs divided by loans including money market loans

AWARDS AND RECOGNITION IN 2020



BANK OF AYUDHYA

ENVIRONMENT, SOCIAL, AND GOVERNANCE



BEST
SUSTAINABLE BANK
IN THAILAND



CERTIFICATE OF ESG100 COMPANY
(5th CONSECUTIVE YEAR)

FinanceAsia
- Best Sustainable Bank in Thailand

Asiamoney
- Best Bank for CSR

Corporate Governance Asia
- Asia's Best CEO (Investor Relations) for Mr. Seiichiro Akita (6th consecutive year and 1st recognition for Mr. Seiichiro Akita)
- Asia's Best CFO (Investor Relations) for Ms. Duangdao Wongpanitkrit (6th consecutive year)
- Asia's Best CSR
- Best Investor Relations Professional
- Best Investor Relations Company (Thailand) (7th consecutive year)

Thaipat Institute
- Certificate of ESG100 Company (5th consecutive year)

DIGITAL & INNOVATION

Asian Banking and Finance (ABF)
- Thailand Domestic Technology & Operations Bank of the Year (6th consecutive year)
- Thailand Domestic Initiative of the Year for Supply Chain on Blockchain (6th consecutive year)

The Asset
- Best Blockchain Project (Asian Award) (3rd recognition)

THREE AWARDS FOR ITS SUCCESS IN VARIOUS AREAS OF DIGITAL SOLUTIONS AND TECHNOLOGY DEVELOPMENT





INFORMATION AND TECHNOLOGY

The Asian Banker
- The Risk Data and Analytics Technology Implementation of the Year

INVESTMENT BANKING

Thai Bond Market Association (ThaiBMA)
- Distinguished Issuer
- Deal of the Year

TRANSACTION BANKING

The Asset
- Best Payments and Collections Solution in Thailand for 'Krungsri Smart COOP' application

BEST PAYMENTS AND COLLECTIONS SOLUTION IN THAILAND



RETAIL BANKING

The Digital Banker
- Winner: Deposit Product of the Year for Kept by Krungsri

Western Union
- The Grand Master Awards (5th consecutive year)

Asian Banking and Finance (ABF)
- Mortgage and Home Loan Product of the Year – Thailand (5th consecutive year)

The Asian Banker
- Winner: Best Customer Loyalty Initiative for Krungsri GIFT

Retail Banker International
- Winner: Best Loyalty/Rewards Programme for Krungsri GIFT

The Asset
- Best Gamification Project – Thailand for Krungsri GIFT



SIX AWARDS FROM LEADING ORGANIZATIONS



WINNER : DEPOSIT PRODUCT OF THE YEAR FOR KEPT

PEOPLE

HR Asia
- Best Companies to Work for in Asia 2020

Employer Branding Institute
- Best Employer Brand Awards 2020
- Excellence in Training & Development

Global Most Innovative Knowledge Enterprise (MIKE)
- Most Outstanding Winners of the Global MIKE Award 2020
- Global MIKE Winners
- Thailand MIKE Award 2020 (Gold level)



EXCELLENCE IN TRAINING & DEVELOPMENT



BEST EMPLOYER BRAND AWARDS 2020



THREE AWARDS FROM THE GLOBAL MOST INNOVATIVE KNOWLEDGE ENTERPRISE (MIKE) AWARDS 2020

CORPORATE BRANDING & MARKETING



LINE Thailand
- Best Sponsored Stickers in Finance & Insurance
- Best Line Ads Platform in Finance & Insurance

BEST LINE ADS PLATFORM IN FINANCE & INSURANCE

KRUNGSRI FINNOVATE

IDC Asia-Pacific
- Special Award for Resiliency for "Meet the Angels by Krungsri Finnovate" project

KRUNGSRI AUTO



THAILAND'S MOST ADMIRED BRAND 2020 (8th CONSECUTIVE YEAR)



GOVERNMENT PENSION FUND (GPF)'S MOST ADMIRED BRANDS 2020 IN AUTOMOTIVE FINANCE CATEGORY

Superbrands Thailand Council
- Superbrands Thailand 2020 (8th consecutive year)

BrandAge
- Thailand's Most Admired Brand 2020 (8th consecutive year)
- Government Pension Fund (GPF)'s Most Admired Brands 2020 in automotive finance category

Grand Prix International
- Best Car & Bike Finance of the Year 2020 (7th consecutive year)

Campaign Brief
- The Work 2020 for Krungsri Auto's Dim Light Ads project

Advertising Association of Thailand
- Adman Awards 2019
  - Two Bronze Awards in the Good category (Good for People sub-category) and the Media category (Corporate Image/ Corporate Social Responsibility sub-category) for the Dim Light Ads project

KRUNGSRI CONSUMER

Retail Banker International
- Highly Commended – Best Credit Card Initiative for Central The 1 Credit Card

The Digital Banker
- Winner of Outstanding Customer Experience – Contact Center
- Winner of Best Digital Customer Experience – Underwriting
- Winner of Best Lifestyle App
- Winner of Retail Payment Product of the Year for Central The 1 Credit Card
- Highly Acclaimed – Best Use of AI for Customer Experience
- Highly Acclaimed – Best RPA initiative



TWO AWARDS FOR
CENTRAL THE 1 CREDIT CARD



THREE CUSTOMER EXPERIENCE AWARDS
FROM THE DIGITAL BANNER

Wisesight (Thailand) - Thailand Zocial Awards
- Best Brand Performance on Social Media in the category of Financial Service (Non-Bank) for Krungsri First Choice

The Asian Banker
- Best CRM Implementation

Asia IOT Business Platform
- Country Winner – SMART-UP RPA

KRUNGSRI ASSET MANAGEMENT

Morningstar
- Morningstar Thailand Fund Award 2020 in Medium- and Long-term Fixed Income Fund for Krungsri Long Term Government Bond RMF (KFLTGOVRMF)

The Asset
- Highly Commended: Asset Management Company of the Year, Thailand (6th recognition)

Asia Asset Management
- Best Bond Manager
- Best Investor Education

Alpha Southeast Asia
- Best Overall Asset & Fund Manager (3rd recognition)
- Best Online & Mobile Platform (Asset Manager) (2nd recognition)

International Finance
- Fastest Growing Mutual Fund House – Thailand (2nd recognition)

Global Banking & Finance Review
- Asset Management of the Year Thailand (2nd recognition)



EIGHT AWARDS FROM LEADING ORGANIZATIONS

NGERN TID LOR



DREAM EMPLOYER OF THE YEAR 2020
AND DREAM COMPANY TO WORK FOR 2020

The Digital Banker
- Winner: Most Innovative Digital Innovation in Financial Inclusion 2020
- Winner: Outstanding Leadership in Customer Experience – Team 2020

World HRD Congress & Employer Branding Institute
- Dream Employer of the Year 2020
- Dream Company To Work For 2020

BrandAge
- Thailand's Most Admired Brand 2020 (2nd consecutive year)

1 OPERATING ENVIRONMENT



THE THAI ECONOMY IN 2020 AND OUTLOOK FOR 2021

THE COVID-19 CRISIS HAS PRECIPITATED THE THAI ECONOMY'S SHARPEST CONTRACTION IN TWO DECADES

The year-long COVID-19 pandemic has driven the global and Thai economies into an unavoidably severe crisis. Although Thailand was notably successful in controlling the first wave of infections, the resurgence of COVID-19 infections toward the end of the year again posed a heightened risk. The Thai economy has been deeply affected due to its reliance on foreign tourism, at 13 percent of GDP, relatively larger than other ASEAN countries. On top of this, internal and external supply disruptions have weighed upon economic activity, and the income and multiplier effects have then amplified these impacts. In addition, domestic headwinds arising from worsening political tensions in the last quarter of the year also buffeted the economy. As such, following growth of 2.3 percent in 2019, the Thai economy contracted by 6.1 percent in 2020, its worst performance since the Asian Financial Crisis in 1998.

The tourism sector—a major driver of the Thai economy—was seriously impacted by the lockdown measures and travel restrictions to contain the pandemic, which together resulted in a plunge in foreign arrivals. For the six months between April and September 2020, almost no foreign tourists were recorded. In the last quarter of the year, even with the issuance of new 'Special Tourist Visas' (STVs), the number of foreign tourists remained extremely low. The full-year number for 2020 was recorded at 6.7 million, an 83.2 percent crash from 2019's total of 39.8 million. Export growth remained negative for the second year, down 6.6 percent in 2020 on a slowdown in production and weakened economies of trading partners. Thai exports contracted in almost all markets, with the sole exception of the US. However, work-from-home and social distancing policies helped boost demand for certain products, including food products, computers and parts, electrical appliances, and personal protective equipment such as rubber gloves.

On the domestic demand front, private consumption slid 1.0 percent, the first decline since 1999 as COVID-19 restrictive measures have disrupted economic activity, especially in tourism-related services. These measures hit incomes and employment, and weakened the repayment ability of households. However, the Thai government has gradually launched a range of measures to mitigate impacts of the virus, stimulate a rebound in expenditure and support domestic tourism, all of which in turn induced private consumption, even for a temporary period. Meanwhile, private investment was severely affected, dropping by 8.4 percent on a combination of weak domestic and external demand, plenty of idle capacity that was especially pronounced in machinery, and the ongoing fragility of the economy. Investors thus lacked confidence and delayed investment. Besides, the liquidity problem among SMEs in the tourism sector is still weighing upon recovery of private investment.

> THE THAI BANKING INDUSTRY REMAINED STABLE AND STRONG, WITH A SOLID CAPITAL BASE AND HIGH LIQUIDITY, BOTH BEING MORE THAN ADEQUATE TO COPE WITH ECONOMIC VOLATILITY AND PERFORM AS THE KEY ENGINE IN DRIVING AN ECONOMIC RECOVERY.

Throughout the year, government spending provided primary support for the economy and thus prevented the contraction from becoming even more severe. Following a delay in budget procedures, the government expedited 2020 budget disbursement, especially that directed to investment projects, and this then fed into a double-digit increase in public investment, helping compensate for the contraction of other parts of the economy. The government also issued an emergency decree authorizing 1 trillion baht in spending to provide financial support for the alleviation of economic and social woes, and recovery for those affected by the COVID-19 pandemic. Projects funded by this emergency decree have been approved for a total amount of nearly 500 billion baht.

Amidst weak domestic demand and falling global oil prices, headline inflation first slipped beneath its target and then—for the first time in five years—turned negative. This, combined with the pandemic's far-reaching impacts across the economy, pushed officials to loosen monetary policy and to act boldly in injecting additional liquidity into the economy, in line with



similar actions among the world's major central banks. The Bank of Thailand slashed its policy rate to a historic low at 0.50 percent from 1.25 percent at the end of 2019, and provided assistance to businesses and households by arranging a debt moratorium as well as establishing debt restructuring programs and cutting required contributions to the Financial Institutions Development Fund from 0.46 percent of deposits to 0.23 percent, thus giving commercial banks room to cut their loan rates. The government also issued an emergency decree authorizing the Bank of Thailand to provide soft loans totaling 500 billion baht as additional help for businesses, chiefly targeting SMEs suffering from liquidity problems. Nonetheless, the worst-hit economic sectors, especially tourism-related services, may take a longer time to recover toward pre-pandemic levels. Such problems could be aggravated by the resurgence of the COVID-19 pandemic at the end of 2020, which may pressure any potential economic recovery in 2021. However, the effective control of the first outbreak within the country and the sound external stability in terms of current account surplus and high foreign reserves have influenced speculative capital inflows from abroad, causing the baht to strengthen throughout the fourth quarter of 2020. In response, the Bank of Thailand announced measures to advance the development of the new Thai FX Ecosystem aiming to limit the baht's appreciation, which could become an obstacle to economic recovery.

IN 2021, RECOVERY WILL BE PATCHY, BUT BOTH OPPORTUNITIES AND CHALLENGES LIE AHEAD

Economic growth in 2021 is forecast at 2.5 percent, following the 6.1 percent contraction in 2020. This will be caused in part by a low base effect, together with the ongoing stimulus measures, a speeding up of government spending, cyclical recovery in the economy and stronger overseas demand. Nonetheless, many domestic headwinds remain, particularly the resurgence of COVID-19 infections, high uncertainty surrounding domestic political tensions, the delayed recovery in the tourism sector, and crisis legacies such as unemployment and debt.

For the tourism sector, though COVID-19 vaccines have now been released and the first phases of mass vaccination programs are underway, clear signs of a rise in tourist arrivals in Thailand are not expected before the last quarter of 2021, by which point vast numbers of people will have been vaccinated worldwide. A return to pre-pandemic levels of tourist arrivals could therefore take at least two to three years. In 2021, the number of foreign tourists is expected to reach 4 million, compared to 6.7 million in 2020. Consequently, employment and business activities related to the tourism sector are likely to remain moribund. On the external front,

Thai export growth is expected to be at 3.8 percent in 2021 following signs of cyclical recovery of foreign demand, led by advanced economies where massive stimulus measures have been implemented. The International Monetary Fund now sees growth of 5.5 percent for the global economy in 2021 following a contraction of 3.5 percent in 2020, while the World Trade Organization predicts a 7.2 percent rise in global trade volume in 2021, after a 9.2 percent fall in 2020. The Thai economy will also be supported by stronger demand for personal protective equipment, medical products and work-from-home related equipment. Looking forward, stronger economic ties in ASEAN will provide Thai exporters with opportunities from expanding economic relations alongside the tendency of greater regionalization. At the end of 2020, ASEAN and its five key trade partners—China, Japan, South Korea, Australia and New Zealand—signed the Regional Comprehensive Economic Partnership (RCEP) agreement, which is expected to be ratified by signatories and then to come into effect in the second half of 2021. However, trade policy between China and the US under the new US president is likely to remain strained, and this could challenge the Thai export sector.

Domestically, as the economy is recovering from a severe crisis, government spending will remain a central plank of the recovery from both expedited 2021 budget disbursements and utilized loans under the framework of the economic and social recovery plan. Meanwhile, public investment may be hampered by delays of megaprojects, but the overall value of infrastructure investments in 2021 should rise from a year earlier. Private investment will also tend to strengthen, especially that related to the public investment and export sectors, while manufacturing industries are also showing signs of recovery thanks to demand for personal protective equipment and work-from-home policies. This is reflected in rising capacity utilization in several sectors that have reached their pre-pandemic levels, paving the way for investment expansion in the next period. Private consumption should be propelled by further measures to stimulate spending and domestic tourism that have now been extended into the first quarter of 2021. The purchasing power of mid- to upper-income groups should support consumer spending. Nonetheless, the resurgence of COVID-19 infections and the lingering effects of the crisis, particularly unemployment and soaring household debt to gross domestic product (GDP), which has reached an 18-year high, are expected to limit growth in household consumption.

Regarding the fragility of the economic recovery, inflation will likely remain near the lower bound of the official target framework, despite gradually returning to positive rates. Based upon the still-low inflation and major central banks' extraordinary monetary easing, Thailand's Monetary Policy Committee is expected to maintain its policy rate at the historic low of 0.50 percent throughout 2021. However, any economic recovery would still take a long time to return to pre-pandemic levels, and would not be evenly distributed across the economy. In response to this, additional financial assistance measures are likely to be imposed by the authorities, ranging from efforts to keep businesses afloat, to helping prevent insolvency problems.

It is unclear what course the road to recovery in 2021 will follow, or what obstacles may lie in ambush. Much rests upon the successful development and mass distribution of vaccines against COVID-19, which may not meet prior expectations of widespread vaccination of the global population by the fourth quarter of 2021, and would thus further delay any recovery of the world economy. Fluctuations in global financial markets may also have domestic consequences if international capital flows have an undue impact on the value of the baht, and the export sector remains vulnerable to side effects arising from any worsening of US-China trade relations under the new US president. Internally, risks are rising from the extent of the COVID-19 resurgence, ongoing political protests, the delayed recovery of the tourism sector, and crisis legacies from unemployment and household debt which may weigh on purchasing power and repayment ability, as well as the uncertain recovery of the business sector, especially SMEs, after assistance measures from government and financial institutions come to an end. Nevertheless, the growing trend toward greater regionalization should support expansion in the export sector, rising levels of investment, and stronger economic growth for Thailand in the upcoming period.

THAILAND'S COMMERCIAL BANKS IN 2020 AND THE 2021 OUTLOOK

2020 SECTOR OVERVIEW

The COVID-19 pandemic made 2020 an eventful and challenging year for commercial banks as economic contraction was experienced both at home and abroad, with unprecedented repercussions for both the business and household sectors. On top of that, it was the first year that commercial banks were required to comply with the Thai Financial Reporting Standards (TFRS 9), starting January 1.

Joining hands with financial institutions, the Bank of Thailand (BOT) introduced preemptive assistance measures to alleviate financial burdens for all types of corporate and household debtors facing financial distress during the pandemic. Emphasis was given to additional liquidity support and accelerated debt restructuring, namely added working capital, a grace period on debt repayment, repayment rescheduling, an installment period extension, reduced installment amount, interest rate cuts, etc.

Given SMEs' crucial role as a driving force of Thai economic growth, as well as employment creation, the Bank of Thailand provided additional assistance measures in the form of capital and financial liquidity to maintain business operations and employment. The measures included offering SMEs with an existing credit limit of up to 100 million baht with repayment rescheduling for six months, and providing SMEs with an existing credit limit of up to 500 million baht soft loans bearing interest of only 2 percent, with a six-month grace period on interest payment.

Maintaining an accommodative monetary policy stance, the Monetary Policy Committee cut the policy rate three times in 2020, reducing the benchmark rate from 1.25 percent to 0.75 percent, to help relieve overall economic impacts as well as debtors' financial hardships amid the pandemic. The Thai central bank provided an additional accommodative measure by reducing banks' contributions to the Financial Institutions Development Fund (FIDF) from 0.46 percent of deposit base per annum to 0.23 percent for two years to reduce banks' costs, so that they could swiftly cut lending rates further for the public and businesses. As a result, commercial banks coordinated their response to the BOT action by trimming their lending rates to ease customers' burdens as well as impacts on the overall economy.

To facilitate financial institutions' thorough and timely aid of customers via liquidity support and debt restructuring, the BOT also relaxed regulations on asset classification and provisioning, as well as customers' credit information reporting, for their improved loan access.

In 2020, commercial banks' lending growth was at 5.1 percent. In detail, corporate loans rose 5.4 percent, thanks to their shift to bank loans from debt issuance, while SME loans contracted at a modest 2.8 percent, due mainly to the soft loan measure.

In addition, retail loans grew slowly at 4.6 percent, due to sluggish consumer income and confidence in the first half of 2020, as a result of preventive measures, social distancing, and lockdowns that harmed the business sector and overall economic activity. However, household spending power gradually improved in the second half of the year, in tandem with more vigorous economic activity after lockdown relaxations. In 2020, housing and auto loans grew 5.9 percent and 2.4 percent, respectively. Though personal loans surged by 6.2 percent, credit card loans contracted by 2.1 percent, hampered by the overall tapering of economic activity.

Deposits increased by 9.6 percent in 2020, buoyed by a rise in savings from both retail and corporate customers, who moved from risk assets to park their money in deposit products amid the economic downturn.

The non-performing loan (NPL) ratio was 3.12 percent, up only slightly against 2.98 percent in 2019, due mainly to the adoption of TFRS 9 amidst the severe economic contraction. The pandemic-driven relief measures and relaxations on asset classification were a significant counter to what could have been a sharp decline in asset quality for the banking industry. Nevertheless, commercial banks set aside provisions in accordance with TFRS 9 and as a strong buffer to cope with the continual impacts of COVID-19, resulting in a coverage ratio of 149.2 in 2020, compared to 149.9 in 2019.

In 2020, commercial banks' total net profit was 146.2 billion baht, a drop of 46.0 percent from 2019, mainly caused by high provisioning, as well as a high base effect in 2019 from one-time gains on investments. The return on assets (ROA) declined to 0.65 percent, lower than 1.39 percent in 2019, while the net interest margin (NIM) narrowed to 2.51 percent, from 2.73 percent in 2019, caused by reduced interest income.

The Thai banking industry remained stable and strong, with a solid capital base and high liquidity, both being more than adequate to cope with economic volatility and perform as the key engine in driving an economic recovery. In this regard, the Bank of Thailand asked banks to suspend interim dividend payments for 2020 operations, to prepare for future uncertainties concerning the overall impact of COVID-19 on banks' operating performance, as well as their additional attempts to aid debtors. In addition, major banks issued Additional Tier 1 (AT1) capital instruments boosting their capital adequacy ratio to an average of 20.1, up from 19.6 percent in 2019, while their liquidity coverage ratio (LCR) remained high at 179.6, far higher than the current minimum requirement of 100 percent.

2021 BUSINESS OUTLOOK

Though a recovery trend is anticipated for 2021, the Thai economic environment will remain fragile due to factors including impacts of the new wave of COVID-19, the government's ability to procure and distribute vaccines along with the vaccines' effectiveness, and the authorities' consistency in implementing monetary policy and stimulus measures. All of these issues could affect commercial banks' profitability as well as debtors' ability to service debts. Banks, therefore, are expected to maintain their prudence in asset quality management, while focusing on customer assistance through loan measures and debt restructuring.

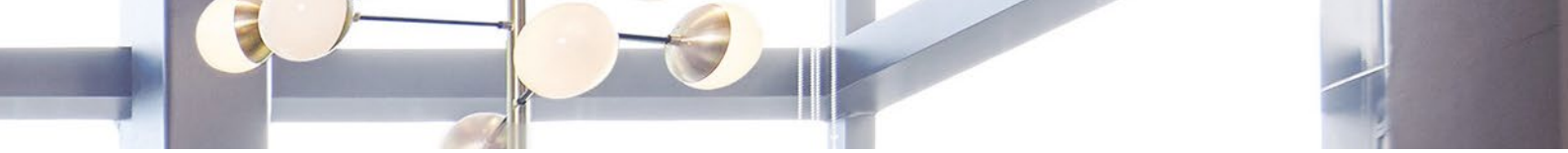
In light of this, commercial banks' lending growth is likely to be in a range of 2.0-4.0 percent, in line with the country's economic growth.

Given the changing consumer behavior toward a technology-based lifestyle due to the COVID-19 pandemic and related preventive measures such as lockdowns and social distancing, commercial banks will tend to persist in their emphasis on digital platforms for both products and services, and their internal work processes, a momentum that will help reduce costs while streamlining their operations.

Moreover, in response to such a changing environment, responsible lending will remain a key principle of the banking business, together with a greater focus on integrating environmental, social, and governance considerations—including credit underwriting for sustainability—as well as managing relevant operational risks.

2
COMPETITIVE CAPABILITY





OUR STORY

Bank of Ayudhya Public Company Limited (the Bank, or Krungsri) officially opened its doors on April 1, 1945, finding immediate public favor, growing rapidly, and eventually being listed on the Stock Exchange of Thailand on September 26, 1977. The Bank has grown steadily to the present day. As of year-end 2020, Krungsri boasted total registered capital of 75,741 million baht and 73,558 million baht of paid-up capital.

As one of Thailand's Domestic Systemically Important Banks (D-SIBs) which play a key role in driving the country's economy and overall financial system, Krungsri is currently Thailand's fifth-largest bank by assets, loans, and deposits, and is a strategic member of MUFG Bank, Ltd. (MUFG Bank) which is wholly owned by the Mitsubishi UFJ Financial Group (MUFG), Japan's largest financial group and among the world's largest.

Krungsri and our 23 subsidiaries and joint ventures (Krungsri Group) constantly strive to meet the ever-changing needs of our broad customer base by offering a comprehensive range of universal banking products and services to key target groups: commercial banking (Thai, Japanese, multinational corporations, and SMEs) and retail banking. We also provide related financial services through our subsidiaries and joint ventures, including wealth management, credit cards, non-life insurance, asset management, securities trading, auto hire purchase, microfinance, and installment loans.

KRUNGSRI TOWARD SUSTAINABLE BANKING

As a financial service provider, Krungsri has been committed to responsibly serving as an 'intermediary' which plays a significant role in driving the economic system. In this regard, the Bank facilitates capital funding to the business sector, society, and retail customers, through the development and presentation of financial product and service innovations, in parallel with meeting economic, social, environmental requirements as well as expectations of all groups of stakeholders. Therefore, this would benefit communities and society based on sustainable development.

To achieve the aforementioned commitment, Krungsri strives to operate in accordance with good corporate governance, while strictly and earnestly adhering to sustainable banking with responsible lending.

> **KRUNGSRI WILL REINFORCE OUR BUSINESS UNDERTAKINGS IN LINE WITH THE 'SUSTAINABLE BANKING' GUIDELINES TO PROMOTE THE STABILITY OF THE COUNTRY'S FINANCIAL SYSTEM, WHILE ALSO PROMOTING STABLE AND SUSTAINABLE ECONOMIC GROWTH.**

2019 saw the key turning point for the Thai banking industry in shifting to the sustainable development journey. Krungsri, as a Domestic Systemically Important Bank (D-SIB), joined the Thai Bankers' Association and other 14 commercial banks in signing the memorandum of understanding on 'Sustainable Banking Guidelines – Responsible Lending'—reflecting a common goal of the country's banking sector in achieving the sustainable development aspiration. The four principles under the memoradum of understanding (MOU) are as follows:

1. The commitment and tone from the top for responsible lending to ensure the implementation of lending practices which are responsible for internal and external stakeholders
2. Stakeholder engagement in transforming the Bank's business operations in accordance with Environmental, Social and Governance (ESG) principles and assessing direct and indirect impacts of the Bank's lending
3. Policy establishment and internal implementation mechanisms covering the establishment of related policies, lending process, risk management, and employee training to enhance their competency and readiness for implementation
4. Transparency by disclosing the information of responsible lending to the general public in reflecting the Bank's determination and putting in place the audit of the Bank's operations



In 2020, Krungsri's key developments in sustainable banking based on the MOU on 'Sustainable Banking Guidelines - Responsible Lending' are as follows:

Key developments in sustainable banking	
Commitment	Krungsri's top management has communicated the sustainable banking guidelines for responsible lending to employees at every level through relevant activities and internal communication channels. Examples include the Town Hall Meeting, the Message from the Chairman, the Message from the President and Chief Executive Officer, emails, and other communication media, such as wall wraps, lift wraps, etc.
Stakeholder Engagement	Communication channels were provided so that the top management can listen to the voices of stakeholders, such as the Relationship Manager (RM)'s customer visits, the annual general shareholders' meeting, the analyst and fund manager briefings, etc.
Internal Implementation Mechanisms	The lending process and policies were reviewed. As a result, the Environmental and Social Credit Risk Policy and the Sector-specific Guideline, comprising restricted transactions, prohibited transactions, and the positive list, were established.
Transparency	The data disclosure was made to stakeholders, including customers, shareholders, regulators, etc., through diverse channels including the Krungsri website, the Annual Report, the Sustainability Report, etc.

Krungsri will reinforce our business undertakings in line with the 'sustainable banking' guidelines to promote the stability of the country's financial system, while also promoting stable and sustainable economic growth.

MEDIUM-TERM BUSINESS PLAN

In refocusing the Bank on our clients, our goal of being a top-tier financial group in Thailand serving all client segments through synergies with MUFG has been clearly reflected in the Bank's Medium-Term Business Plan (MTBP). Bringing our vision to life, the current MTBP helps build the Bank's business on the foundation and achievements of the former plan. It lays out our corporate objectives over three years and includes analyses and strategies to cope with the changing economic environment we are operating in. We remain committed to enhancing our global network in helping corporate and retail customers thrive through the best advice and solutions that suit their needs.

THE SECOND MEDIUM-TERM BUSINESS PLAN (2018-2020)

We established our second MTBP (2018-2020) with consideration of our performance during the first MTBP (2015-2017) as well as the market environment and outlook. In our second MTBP (2018-2020), we identified three key strategic themes, namely:

- Lead by Innovation: Think 'Digital First'
- Enhance Customer Experience to become a Main Bank
- Enhance Retail and Commercial Banking Platform, and Achieve Sustainable Growth

Under these key strategic themes, we identified six core business strategies and five management platform strategies.

6 CORE BUSINESS STRATEGIES

1. Enhance Customer Experience toward Customer Engagement
2. Upgrade Advisory Capabilities and Service Quality of Retail Banking
3. Grow SME Banking through Digital and Innovation Capabilities
4. Execute Commercial Banking Transformation
5. Strengthen Product Capabilities to Offer Financial Solutions
6. Expand Collaboration within Krungsri and Synergy with MUFG and Strategic Partners

5 MANAGEMENT PLATFORM STRATEGIES

1. Enhance Business Competitiveness through HR Platform
2. Build Robust and Smart Technology to Digitize Business and Operations
3. Ensure Security and Soundness
4. Improve Productivity and Efficiency
5. Accelerate Digital and Innovation Execution

To carry out these strategies, each business unit established their relevant targets and plans to help produce tangible results. Details of these targets and plans are different and depend on each business unit's needs, while we ensure alignment across Krungsri Group.

ACHIEVEMENTS UNDER THE SECOND MEDIUM-TERM BUSINESS PLAN (2018-2020)

We were able to make significant progress in our strategy and initiatives under our MTBP (2018-2020), while continuing to drive strong financial performance. However, we are aware that the banking industry is facing challenges with rapid market changes notably driven by digital innovation. While we strive to follow the MTBP, our medium-term strategic roadmap, we must ensure that we remain flexible enough to swiftly and appropriately adjust our plan as the ever-changing market environment may dictate.

We run our PDCA (plan-do-check-act/adjust) cycle against our strategies and initiatives to consider adjustments and take necessary actions in response to the desired business progress and market conditions, while ensuring organization-wide alignment.

2020 was a unique year in which we faced great challenges from the COVID-19 pandemic. We re-strategized and reprioritized our second MTBP to incorporate strengthened mandates in three key areas:

- Continue to support customers
- Maintain strong asset quality
- Manage operating expenses

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

2021 will be the first year of our new Medium-Term Business Plan (MTBP) covering 2021-2023. We started planning the third MTBP (2021-2023) by considering our key achievements and challenges during the first and second MTBPs, including the pandemic and its prolonged impacts, as well as both global and local shifts in the market environment and outlook.

Looking back to the second Medium-Term Business Plan (2018-2020), we were able to make significant progress in our planned strategy and initiatives, while continuing to robustly

grow our assets with strong financial performance. Under the second MTBP (2018-2020), key achievements include realizing our inspiration 'To be a Top-Tier Financial Group in Thailand' through the recognition as a Domestic Systemically Important Bank (D-SIB) with record achievements in ESG innovations and excellence.

For our third Medium-Term Business Plan (2021-2023), we have set our aspiration as 'Be the preferred Thai bank connecting customers' needs across ASEAN' and identified five strategic directions and three key enablers as follows:

5 STRATEGIC DIRECTIONS

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

3 KEY ENABLERS

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

We will execute both the strategic directions and the key enablers, which will allow us to achieve our aspirations.

LEVERAGING SYNERGIES WITH MUFG

SYNERGY HIGHLIGHTS

Our focus on leveraging the complementary strengths of Krungsri and MUFG showed steady progress throughout 2020 despite the harsh reality of the COVID-19 pandemic. The power of synergy between the two boosts our competitive strength and ability to offer superior products and services, as demonstrated by various successes.

- **Payroll account acquisition:** Krungsri acquired more than 86,000 payroll accounts since the integration with MUFG Bank, Ltd. (MUFG Bank)'s Bangkok Branch in 2015, and promoted cross-selling of retail banking services such as credit cards and personal loans to employees of Japanese corporate clients.
- **Supply chain financing:** The Bank promoted end-to-end solutions from supplier financing to dealer financing, tapping into the market of Japanese manufacturers and their supply chains. Leveraging MUFG's long-term relationships with Japanese car manufacturers, Krungsri identified considerable business opportunities in the auto dealer segment, and cross-sold to gain substantial wallet share in the hire purchase business.



- **Business matching:** In October 2020, Krungsri and MUFG jointly organized the Virtual Business Matching Fair, attracting around 200 companies from Thailand, Japan, and ASEAN, resulting in the matching of more than 300 business pairs. Krungsri and MUFG have jointly organized a business matching fair every year since 2014. However, due to the pandemic, having an in-person Business Matching Fair as usual was not feasible. Therefore, as an alternative, Krungsri and MUFG decided to organize a virtual fair to give our clients the chance to meet even in such difficult circumstances. This created opportunities for Thai companies to expand into the Japanese and ASEAN markets, while providing a platform for MUFG customers to connect with Thai entrepreneurs.
- **Investment banking:** We enhanced cross-selling of investment banking products, focusing on the debt and equity capital markets, project financing, merger and acquisition (M&A) financing, securitization, and M&A advisory, for which we could leverage MUFG's global product capabilities and Krungsri's domestic investment banking services. Particularly in 2020, as investor demand for Environmental, Social and Governance (ESG) products increased due to the pandemic, Krungsri collaborated deeply with MUFG regarding ESG mandates. With MUFG Securities' technical ESG expertise, Krungsri was appointed as the joint ESG structuring advisor and joint lead manager for four landmark ESG bond issuances in Thailand (Kingdom of Thailand, PTT Public Company Limited, Global Power Synergy Public Company Limited, and RATCH Group Public Company Limited), cementing our presence in the ESG market and promoting our commitment towards environmental, social and governance issues for sustainable growth.

- **Transaction banking:** Leveraging MUFG's products, Krungsri customers who venture abroad to set up operations can access their overseas accounts via MUFG's Global Cash Management Services (GCMS) to make payments, view statements, and monitor movements of funds in their account, on a secure electronic platform anytime, anywhere, worldwide. This product satisfies Krungsri customers' increasing need for global cash management. Krungsri can also be a valued partner for MUFG by capitalizing on our leveraged digital capability to create tangible value for MUFG for mutual benefit, and leveraging networks among partner banks to offer our customers unparalleled payment services.

- **Cross-border business:** We utilized MUFG's global network to support local corporations and other customers in Thailand that are becoming increasingly globalized and in need of effective global banking services, whether within ASEAN or further afield. Successes include Krungsri and MUFG Bank providing various solutions for customers' cross-border business.

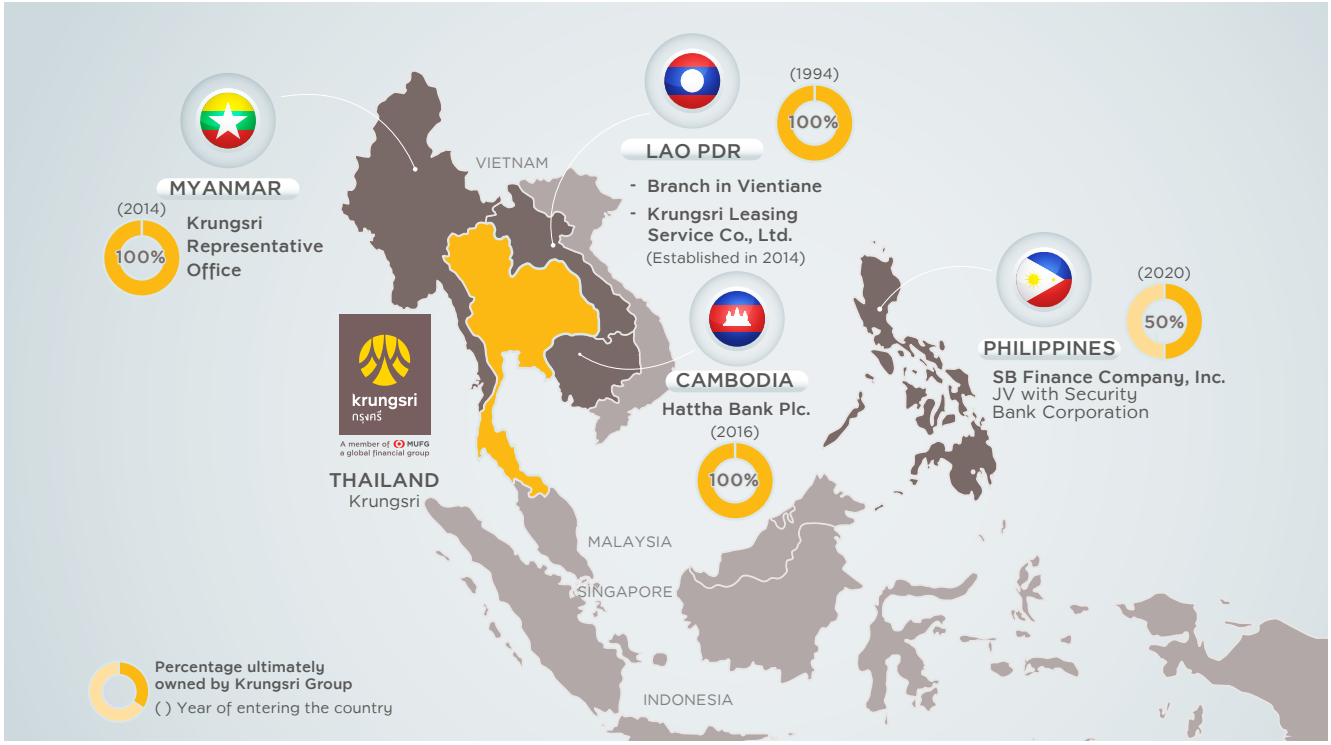
During 2020, Krungsri and MUFG synergies allowed Krungsri to better respond to our clients' financial needs. Looking to 2021, Krungsri will continue to enhance our customer service capabilities by uniting MUFG's global platform and networks with local expertise and strengths.

EXPANDING OUR BUSINESS IN THE REGION

Krungsri continues to pursue opportunities for regional expansion, particularly in fast-growing economies, while applying our industry-leading expertise and best practices conducted through Thailand's retail and consumer banking as well as commercial banking platforms in neighboring markets.

On September 8, 2020, Krungsri accomplished our enhancement of business capabilities in Cambodia. Hattha Kaksekar Limited (HKL), our wholly-owned leading deposit-taking microfinance institution in Cambodia, successfully obtained regulatory approval to become a commercial bank under the name of 'Hattha Bank Plc. (HTB)'. With its new status, Hattha Bank Plc. can deliver excellent financial products and services to better meet the diverse demands of clients in Cambodia through its financial innovation and inclusion. Taking Hattha Bank Plc. to the next level, Krungsri's business know-how and robust operating and governance platforms will add great value to Hattha Bank Plc. solid fundamentals with local market insight and a competitive edge, including its strong foothold in Cambodia and highly-capable personnel.

On October 20, 2020, Krungsri completed the acquisition of 50 percent of the paid-up and registered shares of SB Finance Company, Inc. (SBF), one of the fastest-growing finance companies in the Philippines, from Security Bank Corporation (SBC) following the Annual General Meeting of Shareholders No. 108 held on July 30, 2020, and approvals from the Bank of Thailand (BOT) and other relevant regulators in the Philippines. Our partnership with SBC provides Krungsri



not only a new geographical coverage beyond CLMV, but also a new opportunity to contribute meaningfully in the consumer finance space in the Philippines. This is in alignment with our Medium-Term Business Plan (MTBP) to become a major ASEAN financial powerhouse.

The Bank will continue to expand our business in ASEAN, focusing on growth opportunities in the consumer finance area, including but not limited to auto hire purchase as well as retail and consumer banking, while using MUFG's global network to enhance and expand our corporate customer base.



DIGITAL BANKING AND INNOVATION

The COVID-19 pandemic accelerated digital adoption among both consumers and businesses. Determined to develop our digital platforms to serve customer needs in the dynamic environment, the Bank's digital transformation covers enhancement of our digital channels for serving various customer segments following their respective journeys. Krungsri developed digital infrastructures such as API (application programming interface) and adjusted its software development by building micro-services which are easier to scale and simpler to manage. Krungsri continues to apply new technologies like AI (artificial intelligence), blockchain, and advanced analytics to day-to-day operations, including Open Banking which connects our banking products and services to third parties in other domestic and overseas ecosystems.

CONSUMER DIGITAL SOLUTIONS

Focusing on the development of digital channels is one of Krungsri's major strategies. We believe that technology plays a vital role in responding to customers' needs in all aspects of life. Customers' behavior in the financial service industry is now changing toward a cashless society, and they need fast and seamless services through alternative channels beyond the physical bank branch.

Krungsri Mobile Application (KMA) has steadily increased in popularity over the years. The number of new users last year increased by 30 percent, whereas the number of active users increased by 36 percent. It is an important platform that fulfills consumers' need for convenience, allowing them to access financial services and products anywhere, anytime.

Customer centricity is the main approach in application development with the objective of offering the best experiences to customers while at the same time placing emphasis on strengthening the core structure of the system as well as data analysis to meet the needs of individual customers. We also emphasize collaboration with our business partners in diverse dimensions. Our achievements in 2020 are as follows:

- Fully digitized the onboarding process of the e-savings account opening service for new Bank customers by deploying facial recognition for identity verification through linkage with the National Digital ID (NDID) platform or at Krungsri i-CONFIRM service points, including convenience stores nationwide which are Krungsri's banking agents
- Enabled self-service for the Bank's customers to apply for various products via online channels such as Krungsri Boarding Card, debentures, Car4Cash (auto loan), personal loan, and travel or coronavirus insurance
- Streamlined the user experience through measures such as eliminating user IDs or passwords in steps that do not require them while maintaining the utmost degree of confidence in the application's security
- Developed services to ensure uninterrupted transactions by improving the stability of various systems on platforms such as the QR code or barcode payment systems
- Launched MyPromptQR, an international QR payment platform, to provide services for Thai and Japanese consumers in Japan through collaboration between Krungsri and NTT Data Corporation, a major card payment processing network operator in Japan
- Connected with business partners' applications to provide top-up service for e-wallets, namely, Rabbit LINE Pay and Dolfin Wallet
- Enabled international funds transfer service in 15 major currencies covering 220 destinations across the globe with special foreign exchange rates and lower fees than those of other Bank channels

Krungsri will endeavor to continuously develop the KMA to make it the key solution for the daily use of customers in each segment, along with promoting easy and secure access to set the new standard of Thai digital banking.



COMMERCIAL DIGITAL SOLUTIONS

Because of the COVID-19 pandemic in 2020, the growth of digital banking in the commercial sector increased via Krungsri's commercial digital solutions for both corporate and SME customers. For example, Krungsri Biz Online—a digital banking service for SMEs—acquired 52 percent more new users in 2020, with a dramatic transaction increase of 424 percent in 2020. Also, owing to the Krungsri Cashless Chain solution featuring QR codes for the B2B supply chain, both the volume and the number of transactions saw a fourfold increase in 2020.

In May 2020, phase II of the Krungsri Supply Chain on Blockchain services for e-procurement was implemented, while the Krungsri-LDB Global Transfer solution was jointly launched with Law Development Bank (LDB), our partner bank in Lao PDR, in October 2020. Also, we successfully devised innovations in the trade finance business domain and, for the first time in Thailand, piloted L/C transactions between Thailand and Japan via blockchain.

In 2021, the Commercial Digital Solutions Department will focus on the new ecosystem of business models during and after the pandemic by providing new solutions for large corporates, such as Krungsri Supply Chain on Blockchain for dealers and suppliers.

The Bank will bolster collaboration with the Bank of Thailand, government projects, and partner banks, namely Project Inthanon, BCI, and e-LG.

For SMEs, we will provide loan features on digital platforms and focus more on global transfer services. Also, user experiences will be enhanced for both Krungsri Biz Online and juristic account opening services.

KRUNGSRI FINNOVATE

Krungsri Finnovate Company Limited (Krungsri Finnovate) is a venture capital arm of Krungsri Group that aims to be a strategic investor supporting startups to grow toward their set goals through our corporate venture capital (CVC) investment, strategic partnership, virtual pitching program, venture builder and ecosystem builder, all made possible with collaboration from the Bank's related business units.

Our key mission is to support and promote not only FinTech businesses but the overall tech ecosystem both in the country and worldwide. Project areas include:

MEET THE ANGELS BY KRUNGSRI FINNOVATE

Meet the Angels by Krungsri Finnovate is a forum connecting angel investors with startups through virtual pitching, a win-win synergy giving Thai startups a boost amid the COVID-19 pandemic.

In April 2020, during the nationwide lockdown triggered by the pandemic, Krungsri Finnovate established the virtual pitching program called Meet the Angels by Krungsri Finnovate to support startups, as we realized the magnitude of the challenges presented by this time of crisis, in particular for early-stage Thai startups. We have leveraged our network of established investors whose chief goal is to invest in high-potential businesses, aiming to maximize benefits for all parties involved by facilitating business matching between startups and angel investors toward further business growth and expansion.

The virtual pitching under Meet the Angels by Krungsri Finnovate takes place every last Wednesday of the month, from 20.00 to 22.00 hr. Since April 29, 2020, we have successfully conducted 10 virtual pitching sessions with 46 startups from 13 different business verticals, more than 170 registered investors; we have also received more than 70 requests for business matching.

KRUNGSRI UNICORN—VENTURE BUILDER PROGRAMME

Krungsri Finnovate has fully supported a newly established internal startup program under Krungsri Group, called Krungsri Unicorn. This program aims to help Krungsri Group's employees transform their ideas into fast-growing products and services through a three-stage venture builder program: Pony, Centaur and Unicorn stages.



In 2020, driven in collaboration with Krungsri Consumer, there were seven Pony teams at the idea validation stage, out of 25 applications received.

STARTUP STRATEGIC PARTNERSHIP

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

Driven mainly by collaboration between startups and Krungsri Group, Krungsri Finnovate also completed 85 projects in 2020 across various business units throughout Krungsri Group.

CORPORATE VENTURE CAPITAL

Krungsri Finnovate allocates its proprietary capital to startup investments. The company aims to be a strategic investor, with all of its startup investment being of clear strategic value to the Bank's business. Areas of interest include:

- Online, online-to-offline, and QR code payment, as well as digital e-wallet
- Blockchain and related applications
- Lending technology
- Robo advisor and wealth management technology
- Insurance technology
- SME and personal finance tools and technology
- Artificial intelligence and machine learning
- Remittance and international remittance technology; and
- Cybersecurity

Krungsri Finnovate continued to invest in startups. In 2020, Krungsri Finnovate expanded with five new investments in our portfolio, totaling 10 direct investments and one Fund of Funds investment. During the year, two of our portfolio companies made consecutive rounds of fund raising, i.e., Choco Card Enterprise Co., Ltd., in which we followed on, and Synqa Pte. Ltd. (formerly Omise Holdings).

New investments include:

1. **Grab Holdings Inc.,** Southeast Asia's leading everyday 'super app'. We co-invested in its Series H round with MUFG to create strategic collaboration on financial products and services for Grab's ecosystem.

2. **Icon Framework Co., Ltd.,** Thailand's leading customer relationship management (CRM) and enterprise resource planning (ERP) for real estate developers. We led a Series A investment for synergy on Krungsri mortgage loan and Krungsri's real estate developer customers.

3. **Ricult Inc.,** a leading agri-FinTech business for farmers and agribusiness. We co-invested in its pre-Series A round, with Bualuang Ventures Limited, a venture capital arm of Bangkok Bank Public Company Limited, to offer Ricult's service to Krungsri's agricultural corporate customers as well as building lead generation to auto loan through Krungsri Auto.

4. **Flash Incorporation Co., Ltd.,** Thailand's leading e-Commerce logistics agent. We co-invested in its Series D, with PTT Oil and Retail Business Public Company Limited (PTTOR) and TCP Group, to build synergy with Flash Money Company Limited by providing financial solutions to Flash's ecosystem.

5. **Appman Co., Ltd.,** Thailand's leading InsurTech startup providing digital insurance distribution solutions. We co-invested in its Series A round, with Siam Alpha Equity Company Limited and TQM Insurance Broker Company Limited, so that Krungsri would be Appman's preferred bank partner to co-develop or adopt the newest insurance technology.

OUR PHILOSOPHY

Our mission is to become a leading regional financial institution with sustainable growth achieved through all stakeholders' confidence in the organization. We consider good governance an essential ingredient in the recipe for sustainable growth, and adhering to the best in good governance practices is part of our core philosophy. Thus, we have devoted great care and effort to comprehensively developing a culture of solid corporate governance. In addition, our focus on corporate governance aligns us with Krungsri Group's role in the Mitsubishi UFJ Financial Group (MUFG), whose corporate vision is, 'Be the world's most trusted financial group'. This mission obliges us to ensure that we continually adopt and adhere to corporate governance excellence. When it comes to putting our vision into practice, customers will always be at the heart of all of our undertakings, using a customer-centric approach that we apply to all of our financial products and services. In addition, the Bank's 'Make Life Simple' philosophy has been combined with this customer-centric approach to deliver integrated financial solutions that best match our customers' needs. Combined, these approaches allow us to deepen our engagement and relationships with customers, as evidenced by the numerous marks of recognition and awards conferred on Krungsri by various national and international organizations as well as professional associations throughout 2020.

CORPORATE GOVERNANCE EXCELLENCE

Krungsri is determined to achieve sustainable and steady growth as well as increased long-term business value through legitimate, transparent, and auditable operations. We are also committed to integrity as a cornerstone considering risks, responsibilities, and fair treatment to stakeholders and all relevant parties together with support of sustainable economic, social, and environmental development.

Our Board of Directors has instituted Good Corporate Governance Principles, in alignment with relevant regulations including Krungsri's organization structure and environmental situation of corporate governance of Krungsri, subsidiaries and joint ventures (Krungsri Group), to be used as a framework for business conduct and to enhance our international standard practices. These principles also serve as guidelines of behavior to be strictly adhered to by directors, executives and employees in performing their duties, including Krungsri's subsidiaries and joint ventures, which have the option of adopting their own corporate governance principles based on the nature of their businesses.

With our adherence to the Good Corporate Governance Principles covering guidelines on various areas including investor relations and corporate social responsibility (CSR) projects, Krungsri has earned an 'Excellent' level of recognition based on the Corporate Governance Report of Thai Listed Companies (CGR) assessed by the Thai Institute of Directors Association (IOD) for ten years in 2009-2013 and 2016-2020 (after the adjustment of assessment criteria). In addition, Krungsri has been recognized with various awards i.e. the ASEAN Asset Class PCLs Award designed for companies with the scores of at least 97.50 on the 2019 ASEAN CG scorecard from the ASEAN Capital Markets Forum (ACMF) the Asia's Icon on Corporate Governance Award from Corporate Governance Asia for seven consecutive years (2014-2020) and The Asset Corporate Awards – Platinum 2020 in Governance, CSR, and Investor Relations from The Asset for four years.

Krungsri was selected for the Thailand Sustainability Investment (THSI) 2020 list by the Stock Exchange of Thailand for the fifth consecutive year, listed on ESG100, and received a certificate of recognition from the Thaipat Institute for the fifth time, reflecting Krungsri's distinguished environmental, social, and governance (ESG) performance.

OUR PEOPLE

Krungsri strongly believes that our success and growth could not have been achieved without our most valuable assets – our people. Our Customer Centricity core value is the basis of our business, and we continually foster a culture that promotes teamwork, cultivates ethical behavior, and encourages our people to give their best efforts to serve our valued customers. Furthermore, we groom our people in various aspects to steer Krungsri toward becoming a leader locally, regionally, and globally.

PRODUCTS AND SERVICES

In developing and delivering integrated financial solutions that best match the needs of our customers with simple yet market-leading products, we combined our customer-centric strategy with our dedication to delivering our brand promise to Make Life Simple. Krungsri adopted new operating models by switching from product centricity to customer centricity, resulting in products that better respond to customer needs. Technology plays an ever-greater role in people's changing lifestyles; the Bank is well aware of the importance and benefits that technology brings through product and service enhancement, as well as business operating processes, so that our capability in financial service provision could be

heightened in terms of service efficiency, service access, and risk hedging for customers' transactions. All of this leads to impressive customer experiences that surpass expectations.

COMMERCIAL BANKING

In 2020, Commercial Banking focused on adopting proactive relief measures to assist customers who were affected by the COVID-19 pandemic, and supporting growth opportunities for customers in every business sector. By reinforcing our mission to become a trusted banking partner, we committed ourselves to providing total financial solutions to support customers' liquidity and risk management and deploying digital technologies responsive to business needs in the 'new normal' era, as well as leveraging synergies with Mitsubishi UFJ Financial Group (MUFG) to create growth opportunities for customers and support them in surviving the economic crisis. We also continued to offer Krungsri Business Empowerment, with value-added services of knowledge sharing, business matching, and networking activities in exclusive online platforms which customers can access from anywhere, helping our corporate and SME customers expand their business potential and build long-term strength.

CORPORATE AND INVESTMENT BANKING GROUP

Amidst the highly volatile and challenging environment caused by the COVID-19 pandemic, the Corporate and Investment Banking Group was determined to continue reinforcing local business resilience by providing our customers with financial support, offering total solutions best fitting their needs, and leveraging synergies between Krungsri's local expertise and MUFG's global network to provide value-added capital raising solutions and advisory services. Moreover, we committed to enhancing our solutions and services in alignment with the ever-growing demand for digitalization to aid customers in their business operations, while continuing to seek new business opportunities.

2020 strategic directions for **corporate banking**

1. **Customer centricity**

    - We maintained close contact and engagement with our customers to understand their needs and assess impacts upon their businesses in order to introduce adequate countermeasures in addition to the government's relief programs, serving those who were affected by the pandemic.
    - The corporate portfolio expansion plan was re-strategized in alignment with the 'new normal' environment based on customer business prospects and the level of impact in order to prioritize risk management and optimally allocate our resources for sustainable growth.

2. **Tailored solutions for capturing new business opportunities**

    - With global market uncertainties, we provided our customers risk management service as a tool to minimize their borrowing costs and mitigate the associated risks in respect of interest rate trends and foreign currency fluctuations.
    - As effective liquidity management solutions have become a necessity, especially during the pandemic, we continued to provide customers convenience via our transaction banking services in terms of cash management services and international trade solutions.

3. **Leverage MUFG's global network to strengthen customer business expansion**

    - We provided our customers fundraising and cross-border advisory services for attractive investment opportunities, for their portfolio expansion and diversification.

As regards investment banking services, we, together with MUFG, facilitated the issuance of multiple ESG bonds to address social and environmental issues. Moreover, through capital and corporate advisory services for various business expansions – both inbound and outbound – we have emphasized our goal of supporting customers' strategy in becoming more resilient for long-term sustainable growth. The Investment Banking Group provides a comprehensive range of financial products and services to our corporate customers, including project finance, structured finance, merger and acquisition (M&A) advisory services, funds mobilization via bond and equity capital markets, and real estate investment trust (REIT) establishment.

Our successes for 2020 included:

- In collaboration with MUFG Securities, Krungsri, as the joint structuring advisor and joint lead manager, facilitated four landmark ESG bond issuances:

    1. Kingdom of Thailand for both Green bond and Social bond (COVID bond)
    2. PTT Public Company Limited for reforestation and conservation projects
    3. Global Power Synergy Public Company Limited for waste-to-energy projects
    4. RATCH Group Public Company Limited for wind projects and clean transportation projects



- Krungsri, together with Japan Bank for International Cooperation (JBIC) and MUFG Bank, Hong Kong branch, provided a cross-border structured financing solution to a Japanese automotive leasing company for COVID-19 liquidity support.
- By leveraging the MUFG network, Krungsri effectively provided M&A advisory services in several cross-border transactions, both inbound (Japanese companies investing in Thailand to bring innovations and new services into the country) and outbound (Thai companies investing outside Thailand for their growth and portfolio diversification).
- Krungsri and Krungsri Securities PCL cooperatively acted as the financial advisor and lead underwriter to Frasers Property Thailand Industrial Freehold & Leasehold REIT (FTREIT) – advancing the fast-growing industrial and logistics infrastructure in Thailand – and to Bhiraj Office Leasehold REIT (BOFFICE) – uplifting the dynamic lifestyle and promoting a better work and life balance for people in central Bangkok through a mixed-use commercial complex.

STRATEGIC PLANS FOR 2021

We remain committed to being customers' trusted partner for sustainable growth. Therefore, we will continue enhancing total solutions under the foundation of customer-centric services while leveraging MUFG's global network to meet with the evolving needs of our customers in the 'new normal' era.

- Customer Centricity—to support customers' needs according to their growth stage, both domestically and internationally, as well as to foster the demand in environmentally-friendly, societal, and corporate governance financing
- Value Chain Creation—to develop value chain solutions and platforms
- Product Innovation—to add value and further enhance transaction banking solutions in alignment with target value chains with integrated advisory services for a holistic banking solution
- MUFG Collaboration—to support customer expansion with efficient cross-border transactions and attractive business matching opportunities
- Digitalization and Ecosystem—to digitalize internal processes, allowing an enhanced customer experience and work efficiency

Moreover, with an aspiration to become the preferred integrated IB solution provider, we will focus on continuous enhancement of solutions and services by leveraging the MUFG global network, to better serve the evolving needs of corporate customers for both domestic and cross-border business expansion.

SME BANKING GROUP

The SME Banking Group reinforced our commitment to becoming a main bank for SMEs through collaboration with MUFG and enhancement of business opportunities for Thai entrepreneurs. Due to the COVID-19 pandemic, we helped customers navigate every difficult circumstance by consistently releasing financial relief measures for SME entrepreneurs.

OUR KEY ACHIEVEMENTS AND INITIATIVES IN 2020

In response to the pandemic, Krungsri SME continuously supported our customers through various relief measures:

- Special debt restructuring scheme to extend debt repayment period, debt payment holiday for principal and interest, and reducing interest rates, as well as providing soft loans to SMEs under the soft loan project of the Bank of Thailand and the soft loan scheme of Government Savings Bank. Krungsri was among the top five banks in terms of amount of funds and number of customers supported through relief programs, with over 20 billion baht in soft loan provided.

With the 'new normal' shift towards contactless online banking, we launched innovative products while improving processes to better serve SME customers.

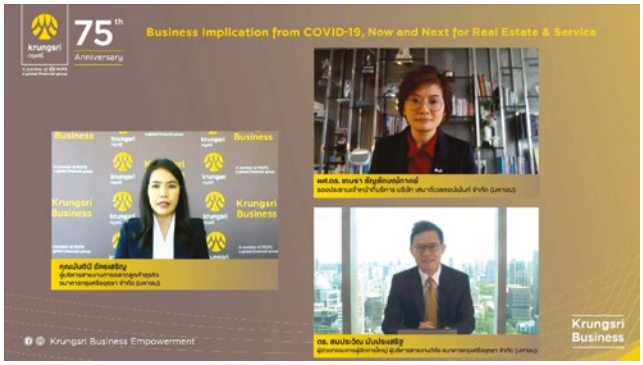
- The launch of Krungsri Supply Chain on Mobile via Krungsri Biz Mobile App for SMEs and business owners, allowing credit application anywhere, anytime. Easy, convenient, and secure, Krungsri Supply Chain on Mobile enhances business capability with financial technologies and innovations that equip SME operators and business owners with an advanced competitive edge.

STRATEGIC PLANS FOR 2021

- Focus on becoming 'The Main Operating Bank for SME customers' by offering total financial products and solutions together with non-financial services through Krungsri Business Empowerment such as knowledge sharing and business networks as well as deepening relationships with existing customers
- Continue customer centricity by providing relevant supports to customers by group and appropriate financial services that meet their needs
- Drive value chain creation by developing new supply chain platforms to expand business opportunities
- Provide MUFG collaboration by supporting customer expansion with efficient cross-border transactions and attractive business matching opportunities
- Continue digitalization and ecosystem development by digitalizing internal processes to enhance customer experience and work efficiency

To further support business customers, the Commercial Marketing Division under the Commercial Banking also provided knowledge sharing, business matching, and networking activities through the value-added service of Krungsri Business Empowerment, aimed at helping our corporate and SME customers grow their business potential and fostering long-term strength. These activities included:

- Exclusive virtual seminar series under the theme, 'Business Implications from COVID-19, Now and Next Series', providing insights for business customers to cope with the 'new normal' era in the wake of COVID-19. The knowledge series included economic challenges, business strategies for uncertain situations, business transformation, and business sharing from business sectors. Krungsri pioneered the arrangement of seminars through online platforms which customers can access from anywhere.
- Krungsri Virtual Business Matching, an online business matching activity connecting SMEs with large corporate customers to create opportunities among Thai businesses. Krungsri became the first bank in Thailand to provide virtual business matching during the COVID-19 pandemic. The online activity resulted in the matching of more than 100 business pairs among the 79 entrepreneurs participating in the event.
- Krungsri-MUFG Virtual Business Matching Fair 2020, Krungsri's first international business matchmaking through online channels to create growth opportunities for Thai businesses wishing to expand their business abroad.





JAPANESE CORPORATE AND MULTINATIONAL CORPORATE (JPC/MNC) BANKING

In 2020, the global economy was severely impacted by external factors such as the COVID-19 pandemic and the USA-China trade war. Japanese corporates and multinational corporates' businesses were challenged by these unprecedented times. As a trusted business partner, JPC/MNC Banking has supported our customers to ensure their business continuity amid uncertain economic circumstances.

Regarding assistance schemes against the COVID-19 pandemic, we have provided aid through measures such as additional credit facilities to support customers' working capital and liquidity, providing market and industry outlooks through web seminars, and creating new business opportunities for our customers through business matching activities. Furthermore, JPC/MNC Banking executed an internal split operation plan, operating from multiple sites in order to ensure the continuity of our support and services to customers in these trying times.

On the other hand, JPC/MNC Banking has affirmed our top position and market share in the Japanese corporate market, remaining the most preferred bank for multinational corporate customers in Thailand. JPC/MNC Banking continues to firm up and move forward satisfactorily, with improvements reflected across all key indicators. Our results for 2020 remained positive as planned, despite the tough business



environment. Our loans grew by 4.9 percent, while deposits expanded by 27 percent compared to 2019. Furthermore, during the 2017-2020, we successfully grew our loans and deposits at a CAGR of 12.9 percent and 14.1 percent, respectively. In addition, our Japanese corporate banking has the highest market penetration, covering the majority of Japanese corporates in Thailand in recent years.

Here are a few examples of JPC/MNC Banking's achievements in 2020:

- Supported recapitalization of a Japanese food manufacturer in acquiring a subsidiary's shares from local shareholders by opening a JPY non-resident account to deal with offshore liquidity through collaboration with MUFG
- Supported a Japanese automotive manufacturer's subsidiary to apply as a Treasury Center in order to manage the re-invoicing from a subsidiary in Indonesia
- Supported a major Japanese automotive manufacturer in an Enhanced Capital Allowances (ECA) scheme to acquire JBIC loan and MUFG offshore loan for securing liquidity to cope with the COVID-19 pandemic
- Supported bridge loan as the main lender to a foreign holding company in acquiring shares of a large coffee chain in Thailand through collaboration with MUFG Bank, Hong Kong
- Supported loan for a food delivery company to provide nanofinance to its drivers and merchants

To provide further value-added services and information for our customers in the harsh economic environment, we also held a Krungsri - MUFG virtual business matching fair in 2020.

In addition to the business matching fair, we also held online business seminars to provide our customers know-how and updates on the economic, market, and industry outlook.

KEY PLANS AND STRATEGIES FOR 2021

We have set up new aspirations, strategies, and initiatives for the 2021-2023 MTBP to strengthen the foundation of JPC/MNC Banking and expand business opportunities for our businesses under the 'new normal' era. We aim to be the 'First Call Business Partner' of our customers to support their sustainable growth. Our strategies will be more flexible for each customer through a more precise understanding of their business, together with providing a total solution by utilizing all functions and capabilities of Krungsri and MUFG, and transforming JPC/MNC Banking's operation platform to further improve overall efficiency. In addition, we will enhance our business capability by strengthening our relationships with customers, improving the advisory function in order to respond to various customer needs, and expanding business areas in response to changes in customers' supply chains, and new investment.

In addition, in December 2020, JPC/MNC Banking established Krungsri EEC offices in Sri Racha and the Eastern Seaboard Industrial Estate (Rayong) in order to increase customer touch points and explore new business opportunities in the high-potential EEC area.



TRANSACTION BANKING GROUP

Aiming to create stable and sustainable business growth, Krungsri has continuously developed innovative financial products and services to support the digital transformation affecting the ways of life and business under the concept of 'Customer Centricity', one of Krungsri's core values that focuses on meeting customers' needs and supporting their business growth at every stage.

The year 2020 proved to be a challenging time for all business sectors because of the COVID-19 pandemic. The Transaction Banking Group was the key to drive innovative products and services including cash management, trade finance, and merchant acquiring services in order to support our customers in conducting various financial transactions during the social distancing period that encouraged the growth of electronic payment. This can be seen from 73 percent growth in the number of electronic financial transactions compared to 2019. In addition, the patterns of financial transaction behavior for both corporate and retail customers have changed, resulting in the faster development of new platforms, products, and services to accommodate customers' needs and strengthen the Bank's fundamental systems. The Transaction Banking Group also supports policies in accordance with the BOT Payment System Roadmap to structure financial payment systems in an efficient, stable, and secure manner in line with international standards and with a focus on creating a cashless society for both domestic and international financial transactions.

STRENGTHEN THE DIGITAL FOUNDATION FOR SUSTAINABLE CHANGE

Aspiring to be a partner bank for corporate customers to conduct their business, the Transaction Banking Group has ceaselessly developed new platforms, products, and services based on payment systems, and continued to launch new technologies and financial solutions that can be applied in various business cases.

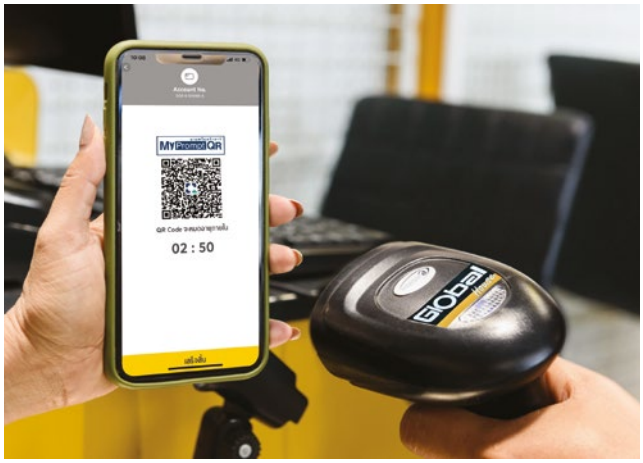
The 'Corporate Mobile Application' is a white-label mobile application developed for corporate customers since 2019. Our collaborative development with EGAT Saving and Credit Cooperative resulted in the Krungsri Smart COOP application for co-op members to manage their accounts as well as funds transfers on a real-time basis. This fruitful collaboration was honored with 'The Asset Asian Awards 2020' in the category of Best Payments and Collections Solution.

Krungsri continuously developed payment systems in response to digital environment competitiveness, focusing on convenience, real-time basis, and security by implementing API and Deep Link technology that can connect to the customer's enterprise system or the customer's application. The Transaction Banking Group introduced the 'Make a Pay' service that connects applications with the abovementioned technologies and the payment channel via Krungsri Mobile Application (KMA). This also strengthened the growth of business in the direction of cashless transactions.

The API technology also extends to cover domestic and international transactions in the forms of 'Real-Time Domestic

B2C Payment via API' and 'Real-Time Cross Border Payment', respectively, to cope with ongoing business competition in which timeliness is essential, because providing services in real time can foster customer satisfaction and loyalty.

With the powerful MUFG global network combined with Krungsri's financial innovations, synergy between Krungsri and NTT Data Corporation (NTT DATA), a major Japanese card payment network operator, resulted in the 'MyPrompt QR' system, an international payment platform via QR code allowing Thai people to make payments in Japan more conveniently and securely. This was one of our great achievements on a global scale.



Aspiring to support business growth in both domestic and international trade, with the goal of creating strong relationships among business partners and increasing business flexibility for the entire supply chain by unlocking financial capabilities, the Transaction Banking Group introduced the Krungsri Structured Trade Solutions service which comprises the Accounts Receivable Purchasing Scheme (ARPS) and Payable Finance (PF) services on a secure and reliable online platform where customers can conveniently upload invoices for loan drawdown.

STRATEGIC PLAN FOR 2021

The three fundamental elements used to construct the 2021 strategic plan of the Transaction Banking Group consist of (1) digital-oriented customer behavior change; (2) national payment infrastructure readiness; and (3) global megatrends.

The Transaction Banking Group has a strong aim to extend the development of digital payment systems in order to strengthen the interoperability that can connect payment infrastructures both locally and internationally as well as to support the international standard called ISO 20022 for receiving and sending payment and business information, which is a part of the smart financial infrastructure, with maximum benefit and value to customers.

Krungsri is ready to be customers' partner bank, focusing on growing and expanding business from the B2B segment to the B2B2C segment in collaboration with MUFG and other partner banks by capitalizing on our global network to step up as an unparalleled powerhouse in ASEAN in terms of readiness to provide total business solutions for every customer segment.

GLOBAL MARKETS GROUP

2020 was a challenging year in the financial and banking arena, as the impacts of the COVID-19 pandemic not only staggered the global economy but also accelerated the banking industry's digital transformation at an even more rapid pace than just a few years ago. Hence, the Global Markets Group adapted our business strategies to cope with this changing market environment.

For retail FX business, we closely cooperated with retail products and consumer digital solution teams to provide competitive foreign exchange rates for digital channels to brace for the growing cashless payment trend among retail clients. Launched in February 2020, Krungsri Boarding Card facilitates travelers in collecting foreign currencies in e-Wallets for online shopping globally, travelling cashless, or withdrawing cash anywhere. The card has a feature allowing retail clients to buy and sell 16 foreign currencies, 24 hours a day, at the clients' desired price. At the same time, the merchant network of cross-border QR code payment in Japan has gradually expanded from the Takeya department store to other stores nationwide. FX revenue streams from travelers are expected to grow significantly once international travel resumes.

Likewise, our corporate FX business gradually transformed into an electronic trading platform. FX@Krungsri, our online FX booking service for corporate clients, has become more active. The plan to broaden this channel through offering more products is thus in place. Partnering with the Transaction Banking Group, we offered special foreign exchange rate benefits in the 'Krungsri SME Simple Biz Plus' remittance and cash management package to welcome more SME and business banking clients to utilize our cross-border remittance services through the Krungsri Business Online (KBOL) channel.

In addition to the digital channel, our conventional business was also in focus for development. Aside from Malaysian Ringgit and Indonesian Rupiah under the Local Currency Settlement Framework (LCSF), we facilitated customers in transacting with more flexible settlement currencies with their trading partners around the world by increasing the eligible currencies for outward and inward remittances to 128 and 37 currencies, respectively.



Regional business expansion through collaboration with partner banks and subsidiaries under MUFG was also one of our key strategies. Liaising with the Transaction Banking Group, we collaborated with Bank Danamon Indonesia (BDI) to provide real-time cross-border funds transfer service from Indonesia to Thailand. In addition, deposit placement at Hattha Bank—a wholly-owned subsidiary of Krungsri in Cambodia—through Krungsri Securities Public Company Limited was introduced to our clients as an attractive yield enhancement alternative with full foreign exchange hedging.

On the fixed income front, we were ranked in the top 10 of the secondary bond market trading league table of the Thai Bond Market Association (Thai BMA) in 2020. Furthermore, the Global Markets Group contributed to the FinanceAsia award as 'The Best Sustainable Bank for Thailand' in which a key factor of the award was the gender bond issuance to finance women SME entrepreneurs. In the aspect of interest rate risk and liquidity risk management, the group's participation in system development also contributed to the award of 'The Risk Data and Analytics Technology Implementation of the Year' from The Asian Banker, in an era in which risk monitoring is seen as essential.

Amid extraordinarily difficult market and economic conditions triggered by the pandemic, the Global Markets Analysis and Research team managed to serve our clients by providing a full range of virtual seminars and exclusive online meetings. Cohesive collaboration between Krungsri and MUFG helped enhance market analyses to best facilitate the decision-making of business operators during times of acute and unprecedented levels of uncertainty. In the midst of ever more intense competition, the team received overwhelmingly positive feedback from customers, and remains committed to delivering well-rounded and unique perspectives regarding what evolving developments mean for the paths of currencies and interest rates.

Moving into the third Medium-Term Business Plan (MTBP) for 2021-2023, the clear direction is firmly established to be the best solution provider bank in global markets products, responding well to various customer needs. The acceleration of digital transformation to uplift our service quality and efficiency is also our key customer-centric aspiration, which we will endeavor to accomplish.

KRUNGSRI AUTO

The COVID-19 pandemic had far-reaching consequences across industries throughout 2020. In the auto finance market, impacts were felt among both service providers and customers. Krungsri Auto has retained its leadership in the comprehensive automotive finance market, achieving 428 billion baht in loan outstanding.

To drive the business forward in 2020, Krungsri Auto placed great importance on three key factors: relief programs for customers impacted by the COVID-19 outbreak, innovation, and employee empowerment. As the economic repercussions of COVID-19 started to spread, assistance measures for customers were swiftly introduced in late February, prior to the Bank of Thailand's announcement of assistance measures. The Bank's measures comprised a grace period on repayment of up to six months for car financing and up to five months for motorcycle financing, and reduced installment amounts; more than 670,000 customers entered the relief program. The relief program was expanded to its second phase in early July to alleviate debt burdens for those hit hardest by the pandemic.

Innovation remains Krungsri Auto's top priority as an approach to increase the efficiency of internal processes and customer services. The launch of the GO Application by Krungsri Auto marked a milestone in building a new business model, the Krungsri Auto Ecosystem. Serving as the gateway to all of its product offerings – Car4Cash, Krungsri Auto PromptStart, and Krungsri Auto Broker, as well as lifestyle services from partners – the mobile application provides a myriad of features for both customers and drivers, including loan application, loan payment, privilege redemptions with The 1 on loyalty programs as well as other partnered brands, and booking





and repair appointment services with auto-related partners. Part of Krungsri Auto's roadmap to digital auto lending, the application, along with related initiatives including an online consent authorisation system for information disclosure (e-Consent) and Krungsri Auto PromptStart, have laid strong building blocks for the digital journey ahead.

The flagship product, Car4Cash, has delivered a series of updates to quickly provide automobile owners financial liquidity during these challenging times of social distancing, including a three-hour approval and delivery service. Car4Cash PO customers can now also receive cash within 24 hours. In addition, operational excellence continues to be enhanced through the rollout of innovative tools, notably iCreate, a personal information processing system for electronic application forms, which substantially increased accuracy and speed in front-end servicing.

In heightened uncertainty, the resilience and agility mindset has been highlighted as the top priority for employee empowerment. The focus is on helping employees quickly adapt to rapidly changing situations, overcome crises, and reach the common goal of providing customer support through empathy and constant communications.

In 2021, Krungsri Auto will continue to enhance its trusted brand position by leveraging the MUFG Network. It will focus on building personalized products and services through customer behavior analytics, innovating with new and existing business models by utilizing digital capabilities, and further developing the Krungsri Auto Ecosystem.

KRUNGSRI CONSUMER

CREDIT CARD AND PERSONAL LOANS

Krungsri Consumer provides credit card, sales financing and personal loan services, as well as life and non-life insurance brokerage services. Our credit card products include Krungsri Credit Card, HomePro Credit Card, AIA Credit Card, Central The 1 Credit Card, Simple Visa Card, Tesco Lotus Visa Card, and Krungsri First Choice Visa Platinum Card.

Krungsri Consumer is a leader in sales finance and personal loans, with an 18 percent market share. The main products are Krungsri First Choice Card, Central The 1 First Choice Card, and Krungsri First Choice Care Card.

2020 PERFORMANCE

Krungsri Consumer continued to maintain the leading position and achieved our business expansion goal. At present, Krungsri Consumer has a total of 9 million customer accounts with combined spending of 320 billion baht. To sustainably grow our business, Krungsri Consumer has adopted innovative technologies, while developing new products and services to ensure utmost customer satisfaction as follows:

- **Rebranded Krungsri First Choice**
  Krungsri First Choice has been rebranded with the concept of, 'Where Your Promising Future Begins', in order to uplift its

brand image to that of a 'Credit Builder' for the new generation and match the changing lifestyles of today's customers.

- **Open API Standard and Platform for Payment, Installment, and Point Redemption**
  To strengthen the partnership's networks, Krungsri Consumer has built Open API to seamlessly integrate payment solutions with our key partners. This supports retail transactions, installments, and point redemption.

- **NCB e-Consent Service on 'Simple Application' System at Krungsri First Choice Branches**
  Krungsri Consumer has enhanced the customer experience in onboarding customers at Krungsri First Choice branches through development of the 'Simple Application' system which allows customers to process their applications simply by providing their ID cards and necessary documents, without the need to fill in the application form. The system also offers online credit bureau checking. One-Time Password (OTP) will be sent to the customer for authentication, and the customer application can be reviewed and approved within 30 minutes.

- **HomePro Visa QR Credit Card**
  HomePro Visa Credit Card cooperates with Home Product Center Public Company Limited to offer the new feature of QR Credit Card on the UCHOOSE mobile application. Customers can make hassle-free, contactless payment by using their QR Credit Card at HomePro stores, while still receiving a 3 percent discount.

- **UCHOOSE Digital Lending**
  Krungsri Consumer has developed a 'digital lending' platform for an online self-service application that allows customers to apply for a credit card anywhere, anytime, via the UCHOOSE mobile application with electronic Know Your Customer (e-KYC) by National Digital ID (NDID).

- **Artificial Intelligence (AI) for Non-Voice Customer Service**
  After the successful trial run of AI virtual agent 'Manow' as a call center voice agent, Krungsri Consumer has leveraged the AI Manow to include non-voice customer service channels, namely the customer enquiry service in Facebook fan pages of all four credit card brands under Krungsri Consumer (Krungsri Credit Card, Krungsri First Choice, Central The 1 Credit Card, and Tesco Lotus Visa Credit Card). AI Manow uses data analytics to prioritize, identify type of business, and analyze customer information, all of which allows Krungsri Consumer to respond to customers' enquiries 24/7 and reduces customer waiting time.



- **Single View of Insights (SVOI) Model by Big Data**
  Krungsri Consumer has deepened and broadened our big data analytics capabilities with various machine learning models. Aiming to deliver customers the right product at the right time and the right place, we have developed recommender suite geolocation, and best-time-to-call models.

- **Robotic Process Automation (RPA) and Digital Automation**
  Krungsri Consumer developed robotic process automation (RPA) for a total of 72 processes across several business units. This technology has allowed the automation of 4 million transactions with a total time saving of 222,000 hours, equivalent to 114 full-time employees.

- **Centralized Customer Consent Management**
  At Krungsri Consumer, rights to customer consent have been always emphasized in our business operations. The customer consent management system has been developed to ensure that customer consents across all channels have been properly maintained and will comply with the new regulation, called the Personal Data Protection Act (PDPA), which takes effect in May 2021.

- **COVID-19 Pandemic Refinance Program**
  To support all relief measures put in place by the Bank of Thailand (BOT) during the COVID-19 pandemic, Krungsri Consumer has offered multiple relief programs to help our customers, i.e. Skip Payment, Lower Minimum Payment, and Refinance Program. For convenience, Krungsri Consumer has adopted digital automation tools and the UCHOOSE mobile application to enable customers to enroll online for the program and enjoy a shorter processing time.



MICROFINANCE

NGERN TID LOR

Krungsri offers microfinance services through 'Ngern Tid Lor', the brand providing consumer loan service, comprising title loans and hire purchase. Equipped with insurance professionals standing ready to provide insurance advisory services nationwide, Ngern Tid Lor is a non-life and life insurance broker offering motor insurance, compulsory motor insurance, personal accident insurance, cancer insurance, and loan insurance. In 2020, Ngern Tid Lor Company Limited became a public company and was renamed Ngern Tid Lor Public Company Limited or TIDLOR, as part of its plan to support sustainable future growth.

Ngern Tid Lor aims to raise the standards of the title loan business in Thailand, serving as a responsible and transparent source of financing for low-income earners including underbanked individuals by providing them appropriate and fair products and services and how Ngern Tid Lor educates the clients. In 2020, the COVID-19 pandemic brought about unprecedented impacts on our customers. The company therefore offered assistance measures to 150,000 customers and waived a total of 499.2 million baht of accrued interest and VAT paid in advance on behalf of customers.

In spite of the pandemic crisis, Ngern Tid Lor continued our robust growth in 2020. We offered opportunities to more than 730,000 accounts with total outstanding loans of 51,331 million baht. As regards the sale of non-life insurance, Ngern Tid Lor generated non-life insurance premium sales of 4,010.9 million baht. In addition, Ngern Tid Lor added 76 branches in 2020, reaching a total of 1,076 branches, increasing our customers' opportunities to access fair and transparent financial services.

In 2021, Ngern Tid Lor plans to take customer service to the next level through the NTL app in tandem with lifestyles in the new normal era, while giving customers access to financial and insurance privileges for financial equality and inclusion. The company plans to establish approximately 500 branches in 2021-2023.

Apart from economic returns, Ngern Tid Lor also places importance on creating sustainability through the following projects:

'Life Rolls Forward' Project

Ngern Tid Lor started organizing financial literacy activities in 2013. This project was initiated after the company provided nanofinance products to vendors in wet markets, and acknowledge their key problem in personal finance management. We believe that 'basic financial literacy is the foundation that creates the opportunity toward sustainable good quality of life'. Therefore, this project has been expanded to cover Ngern Tid Lor's staff members, other organizations, and local communities, under the name 'Life Rolls Forward'. In 2015, a project was run under the concept of 'Creating Shared Value', encouraging the company's employees to take part in proposing a project and becoming volunteers to provide financial knowledge to local communities.

In 2018, thanks to the support of the 'Kamlangjai (Inspire) Project under the Royal Initiative of Her Royal Highness Princess Bajrakitiyabha Narendiradebyavati Krom Luang Ratchasarinee Siripatchara Maha Watchara Ratchathida, the project was expanded to cover those who had once taken the wrong path, so that they can reintegrate into society when their prison term ends. Moreover, the 'Train the Trainer' project was organized to provide financial literacy to prison officers and volunteer guards to equip them with financial knowledge for offering basic advice to inmates.

Ngern Tid Lor Sharing for Life Rolls Forward

In 2020, given the impact of the pandemic, Ngern Tid Lor not only organized the financial literacy activities, but the company also developed edutainment media in the form of short video clips in response to the 'new normal' lifestyle. In addition, urgent assistance was given to local communities and the general public hit by the COVID-19 crisis, under the Ngern Tid Lor Sharing for Life Rolls Forward. Through the company's employees and branches nationwide, Ngern Tid Lor provided survival bags and 'sharing pantries' wherein goods and supplies were purchased from local merchants to help them relieve the impacts of the pandemic.



HATTHA BANK PUBLIC COMPANY LIMITED (HATTHA BANK)

Hattha Bank is one of the leading banks in Cambodia, which has officially received a banking license from the National Bank of Cambodia and Cambodia's Ministry of Commerce to operate as a commercial bank since August 2020.

After more than 26 years serving Cambodians, along with its clear vision and strong support from shareholders, another important milestone has been reached, which is the transformation from a microfinance deposit taking institution (Hattha Kaksekar Limited: HKL) to a commercial bank (Hattha Bank) even in the troubled circumstances arising from the COVID-19 pandemic.

To ensure sustainable growth and development and in response to the pandemic, Hattha Bank has taken actions as follows:

- Actively continue providing loans to various sectors to support domestic business activities such as trading, agriculture, general services, construction, and retail consumption
- Offer loan restructuring program to support loan repayment of customers impacted by the pandemic especially hotels and guest houses, tourism, and garments/footwear sectors; and
- Continue to monitor the pandemic and take any actions necessary to protect the employees of banks or financial institutions and their clients to ensure the reliability and sustainability of banking services.

2020 was not an easy year. Nevertheless, Hattha Bank managed to maintain its strong position and business performance. As of December 31, 2020, our outstanding loans were at USD 1,323 million, representing 25.9 percent growth from 2019. Deposits showed strong growth at 32.4 from 2019 to reach USD 793 million.

Hattha Bank has continued to provide diversified financial services to corporate (SMEs) and individual customers nationwide. As a result, Hattha Bank has introduced and improved many financial services, including mobile banking service (Hattha Mobile), SME co-financing, waste disposal bill payment, interbank transfer, overdraft loan, current account, checking service, and new deposit products (HYSA Flexi and HYSA Corporate), in addition to its exceptional current services such as loan, deposit, local money transfer, ATM, payroll, and insurance referral service.

Hattha Bank has defined key strategic priorities in accordance with its vision, 'To be a highly admired bank and the customers' preferred choice through our professional employees'. Below are selected highlights for 2020:

- Successfully transformed our business status from a microfinance deposit taking institution (MDI) into a commercial bank;
- Developed and successfully implemented the Loan Origination System (LOS), allowing Hattha Bank to speed up the loan process and thus fulfill customer needs;
- Obtained the credit rating of BBB+ with 'Stable' outlook for three consecutive years from TRIS Rating Co., Ltd.;
- Supported training programs for better understanding of financial knowledge, organized by the Federation of Associations for SMEs of Cambodia (FASMEC);
- Signed an agreement with the Japan International Cooperation Agency (JICA) offering USD 50 million in loans for micro, small and medium-sized enterprises (MSMEs) in Cambodia;
- Introduced many financial services to the market for serving a wider range of customer needs; and
- Obtained the recognition of Golden Fiscal Compliance for two consecutive terms (four years) from the General Department of Taxation, Cambodia.

For 2021, with the favorable country economic outlook, Hattha Bank is confident that it will outperform the overall industry and continue its efforts to promote the enhancement of Cambodians' lifestyles via our retail consumer products as well as the growth of MSMEs in Cambodia, via our complete financial solutions that meet business needs while also contributing to sustainable social development. Hattha Bank has defined a strategic theme to further enhance its market competitiveness, as follows:

- Transforming to a customer-centric bank by enhancing the customer segmentation framework and criteria, deploying the resulting customer value proposition, and enhancing the customer experience;
- Enhancing the commercial bank products and services including credit product facilities, deposit and fee-based facilities, and cross-border business;



- Elevating digital as a core business by focusing on enhancing digital acquisition, delivering a delightful customer experience, building customer ecosystems, collaborating to accelerate innovation, and implementing card and merchant business; and
- Improving Return on Equity (RoE) by redefining the product mix, growing current and savings deposits (CASA) and operating account, enhancing fee income, improving capital and funding, and improving productivity.

ASSET MANAGEMENT

The COVID-19 pandemic has had widespread impacts on the global economy and stock markets, including business sector expansion and the overall fund management industry. However, news related to the clinical trials and deployment of COVID-19 vaccines in the fourth quarter of 2020 pointed toward a potentially improving situation.

Amid the COVID-19 pandemic causing a volatile investment climate since the first quarter of the year, Krungsri Asset Management Company Limited (KSAM) still has managed to deliver strong performance and gain investor confidence, with total assets under management (AUM) of 538,741 million baht at the end of 2020 with market share ranking the 6th. The new customer base reached 51,104 accounts, bringing the total customer number to 392,231 accounts. KSAM's total AUM was still mainly driven by the mutual fund business, with AUM amounting to 386,264 million baht at year-end.

- **Private Fund business:** The company had AUM of 101, 265 million baht at the end of 2020, ranked the fourth-largest asset management company in the private fund business, attributed to the continued trust and confidence of both individual and institutional investors in the company's portfolio management services. Over the past year, the company has been assigned by the Government Pension Fund (GPF) and EGAT Saving and Credit Cooperative Limited to manage their respective equity portfolios and private funds.

- **Provident Fund business** still has been growing steadily, with AUM standing at 51,212 million baht at the end of 2020, representing a growth of 16.7 percent over 2019. In 2020, the company was entrusted by the Registered Provident Fund of the Provincial Electricity Authority with continuing to act as their provident fund manager for a second term, where the company was assigned to manage the fixed income assets of the provident fund, with total net asset value (NAV) of over 7 billion baht, for a period of three years (2020-2022). Moreover, the company added more foreign investment plans for the members to diversify their investments. Currently, a total of 22 policy options are available for members to choose their own investments, enabling them to diversify their investments into various assets and regions in order to efficiently mitigate portfolio risks.

- **New Products**
  The company has continued to offer more varied types of investment products as follows:

  1. Offering new opportunities in existing funds, which are domestic equity funds through the arrangement of funds' new share class to best suit the specific needs of investors. These funds are Krungsri SET50 LTF-A (KFLTF50-A), Krungsri Dividend Stock LTF 70/30-D (KFLTFD70-D), Krungsri Dividend Stock LTF-D (KFLTFDIV-D), Krungsri LTF Equity-A (KFLTFEQ-A), and Krungsri SET100-A (KFS100-A)

  2. Launching new products covering both domestic and foreign investment funds, Super Savings Funds, and Retirement Mutual Funds as follows:

     1) **Foreign equity funds:** Krungsri Global Core Allocation Fund (KFCORE), Krungsri Diversified Income Fund (KFDIVERSE), and Krungsri Global Dividend Hedged FX Fund (KFGDIV)

     2) **Super Savings Funds (SSF):** Krungsri China A Shares Equity SSF (KFACHINSSF), Krungsri Active Fixed Income-SSF (KFAFIXSSF), Krungsri Cash Management Fund-SSF (KFCASHSSF), Krungsri Dividend Stock-SSF (KFDIVSSF), Krungsri Enhanced SET 50-SSF (KFENS50SSF), Krungsri Global Brands Equity Dividend SSF (KFGBRANSSF), Krungsri Happy Life-SSF (KFHAPPYSSF), Krungsri SET100-SSF (KFS100SSF), and Krungsri SET100-SSFX (KFS100SSFX).

     3) **Retirement Mutual Funds (RMF):** Krungsri China A Shares Equity RMF (KFACHINRMF)

     In addition, the company has selected new master funds to replace the original master funds for Krungsri US Equity Fund (KF-US), Krungsri Japan Hedged Dividend Fund (KF-HJAPAND), and Krungsri Japan RMF (KFJAPANRMF), for the benefit of investors.

     Lastly, in terms of distribution channel expansion, the company has added more supporting agents, namely, FWD Life Insurance Public Company Limited and Ascend Wealth Company Limited, to ensure wider coverage and deeper penetration of the investor base.

- **Improvement of services**
  Following the introduction of the mobile application service under the name of '@ccess Mobile' in 2019, the company has developed new features for the application such as QR payment to further facilitate the making of investment transactions by investors. The company also improved the information security system through the use of a Single Sign-On (SSO) log-in identification system, allowing a customer to use a single username and password to log in to both the @ccess Mobile Application and @ccess Online Service. Regarding communication channels with customers, the company has created a Facebook page under the name of 'Krungsri Asset Management' as a channel for contacting and communicating with customers on the social media platform, as well as for dissemination of fund information. In the last quarter of the year, the company joined hands with its business partners to launch the 'Point to Invest' project, initiated by the Stock Exchange of Thailand, to allow Krungsri credit card holders to redeem their reward points for investment amounts in Krungsri mutual funds. Such a move helps promote an investment opportunity that is more convenient and accessible for investors.

The COVID-19 pandemic has led to lockdowns worldwide and had a severe impact on the global economy for the entire past year, causing investment volatility in both fixed income and equity markets. Realizing that such a crisis could affect investors' confidence, while it could also be transformed into a great investment opportunity, we continued to provide investors relevant knowledge through online seminars or webinars, where fund managers and international fund houses were invited to share information and views for investments amid the current situation together with the most appropriate asset allocation. The total of nine webinars gained huge attention from unitholders and the general public, reaching a total of more than 1,000 attendees and more than 500,000 views of the recorded webinars published on YouTube.

In the wake of the global economic slowdown and highly volatile investment environment caused by the COVID-19 pandemic, as well as the challenges of intensifying competition, the company will continue to strive to be an asset management company for investors of all demographic groups and generations, and place importance on sustainable and stable growth in the business directions mapped out by the three-year (2021-2023) strategic plan as follows:

1) **Development of quality products** to cover customers in all market segments, including management of funds to achieve favorable returns, selection of the best products for efficient investment and prudential investment process, and giving priority to high-potential, innovative products.

2) **Strengthening and expansion of service channels** through collaboration with the SME Banking Group and JPC/MNC Banking in increasing the customer base, as well as

adding new supporting agents comprised of the leading commercial banks in Thailand and agents on the online platform to improve access to the young generation segment.

3) **Being customer-centric and placing emphasis on building a good investment experience** through the conduct of information analysis to have a real understanding of investor needs and the building of synergy within Krungsri Group for segmentation and penetration.

4) **Potential development for organizational procedures** through the application of tools and technologies including electronic Know Your Customer (e-KYC) and online fund account opening, Robo Advisor to help manage portfolios according to their financial goals, and Provident Fund on Mobile to link different portfolios in one application.

SECURITIES

During the second Medium-Term Business Plan (2018-2020), competition in the securities business was intense. Many companies sought new ways to generate income to offset the consistent downtrend of brokerage revenues industrywide. Krungsri Securities Public Company Limited expanded in three businesses, including the introduction of wealth management business, expansion of foreign institutional business, and launch of a new product in the private fund business, i.e. foreign currency deposit of Hattha Bank Plc. through private fund, which received a solid response.

The trading proportion of retail investors has declined steadily, from 48 percent in 2017 to 34 percent in 2019. Meanwhile, foreign investors have turned into key participants in the Thai stock market, as their trading proportion has surged from 30 to 41 percent. During the COVID-19 pandemic, substantial behavioral changes were detected among retail investors. The trading proportion of retail investors swung to a peak of 49 percent of market turnover in June and ended 2020 at 44 percent. Retail investors also traded substantially more shares via online channels, with the proportion of online trading orders rising from 69 percent in 2017 to 78 percent in 2019 and 80 percent in 2020.

Recognizing the changes in both investor proportions and trading behaviors, as well as seeing an opportunity to grow from this crisis, we have made efforts to develop and upgrade integrated investment services on the digital platform. In March 2020, we launched a service to facilitate online account opening via Krungsri Mobile Application (KMA), which was warmly received. The company is in the process of developing a Super Service Platform to be the center of all services. These would include online accounting, Electronic Know Your Customer (e-KYC), a single account for all types of transactions that can be conducted on mobile phones anywhere, and investment portfolio status analysis and report. Moreover, we have also equipped our staff with digital perspectives and competencies to match the changing environment and be able to offer effective services for clients in the 'new normal' era.

Key goals of the company in the third MTBP (2021-2023) are to boost market share to the top 20 and expand our revenue base. To achieve our goals, we aim to upgrade business cooperation with the Bank to enhance service variety. Our key strategies include:

- Extend business cooperation with the Bank and other companies within Krungsri Group
- Focus on customer categorization to offer just the right products and services that respond to the demands of different groups
- Digitize individual customer business
- Expand foreign institutional business
- Grow investment banking business by aiming to be lead and co-underwriter of more deals
- Offer variety of alternative products and services to clients as the company plans to introduce debt crowdfunding in early 2021 as well as offshore investment, structured note, and securities borrowing and lending (SBL) later in the year



RETAIL BANKING AND DISTRIBUTION GROUP

Although the Thai economy in 2020 was negatively affected by various factors, such as the COVID-19 pandemic, high household debt, and ongoing domestic political problems, the Retail Banking and Distribution Group still adhered to the second Medium-Term Business Plan covering 2018-2020 by focusing on expanding the retail banking customer base and becoming the main bank of customers through product and service offerings that meet customers' needs at their different stages of life and deliver them seamless experiences anywhere, anytime.

In 2020, the Retail Banking and Distribution Group provided assistance and care to customers affected by the economic difficulties through measures including suspension of debt repayment for all types of loan products, along with strict adherence to measures for monitoring and preventing the spread of COVID-19, mainly taking into account the utmost safety of customers, visitors and employees. Particularly, stricter control measures have been implemented while offering services at branches, such as body temperature measurement, face mask requirement for employees and customers, provision of hand sanitizers at service areas, ozone treatment and disinfection at various high-touch areas, maintaining social distancing by limiting the number of visitors and keeping a safe distance between persons, arrangement of seating in waiting areas, and the installation of protective shields between customers and counter staff. In order to facilitate adjustment to the 'new normal', the Retail Banking and Distribution Group focuses on communication with customers to provide knowledge and understanding, and to recommend beneficial features on the Krungsri Mobile Application (KMA), including innovations suited to each customer segment. Driving and developing digital services continuously is one of the key strategies, which not only responds to ever-changing customer behavior, but also enhances the Bank's operational efficiency.

Regarding the business plan for 2021, which is the first year for the new Medium-Term Business Plan (2021-2023), the Retail Banking and Distribution Group will improve operations from the original business plan by accounting for economic fluctuations, social changes, and any trends possibly affecting the lifestyles of customers in the new business plan. In addition, the development and expansion of products and services of the Bank and subsidiaries will be accelerated, while MUFG's global networks will be leveraged in order to deliver excellent financial services that meet the needs of each customer segment.

CUSTOMER SEGMENTS

KRUNGSRI EXCLUSIVE

KRUNGSRI EXCLUSIVE is committed to setting the foundation for sustainable growth in supporting the Bank to become one of the country's leading financial institutions and to gain international recognition. It is our founding principle to deliver impressive services and experiences to customers who have deposits and/or investments with the Bank in an amount of 5 million baht or higher. In 2020, KRUNGSRI EXCLUSIVE successfully expanded its customer base by 9 percent, and its assets under management increased by 7 percent. This growth occurred in spite of fluctuations in customers' wealth and investments due to many headwinds, including volatility of assets, particularly the equity bourse as it was sharply impacted by the pandemic in the first half of 2020, causing KRUNGSRI EXCLUSIVE customers to be more careful in investment. Therefore they increased their investments in the industries that saw growth during the pandemic, such as technology, medicine, online merchandise, internet and software. In 2020, KRUNGSRI EXCLUSIVE was able to achieve business performance in accordance with the specified Medium-Term Business Plan (2018-2020) and took additional actions in important matters as deemed appropriate based on the respective situations, as follows:

1. Establishing the Investment Intelligent Office (IIO) to provide investment advice that meets the needs of individual customers, organizing seminars and monitoring market situations, such as domestic and international economic conditions, and movements in money and capital markets, so that customers are well-informed and able to adjust or invest amid fluctuating situations in a timely manner. Moreover, IIO also helps enhance capabilities, skills, and knowledge of branch wealth officers focusing on investment advisory expertise to meet customer needs.

2. Offering and promoting products of other asset management companies (open architecture) in order to perfectly match the needs of all types of investment customers. Additional asset management companies are available, including Krungthai Asset Management and Tisco Asset Management, allowing customers to easily buy or sell funds through a Bank account at branches and on the Krungsri Mobile Application (KMA). In October 2020, the capability of international wealth management service was enhanced through the collaboration with BlackRock, a leading global financial and investment institution, which helps improve investment consultation, product development, and other financial services that meet the needs of KRUNGSRI EXCLUSIVE customers. Based on



such cooperation, BlackRock offered the first mutual fund product developed exclusively for Krungsri's customers.

3. Offering a variety of new life and non-life insurance products, such as Krungsri Saving Insurance Guarantee MungKang 11/5, Krungsri Lifetime Insurance Moradok Aunjai 90/7, as well as Krungsri Coronavirus Insurance, by introducing individual products to perfectly meet the needs of KRUNGSRI EXCLUSIVE customers.

4. Expanding KRUNGSRI EXCLUSIVE services via digital channels, including phone-based consulting and video conferences with investment consultants, as well as online marketing seminars through webinars and live broadcasts. Recorded events could also be watched on YouTube so that our services are provided to a wider array of customers while also promoting the social distancing policy.

The greatest customer satisfaction lies at the heart of the Bank's service development. In 2020, KRUNGSRI EXCLUSIVE expanded service areas at leading department stores, such as Central Plaza Ladprao and Central Plaza Grand Rama 9. Furthermore, the area of financial and investment consultation (The Advisory) at the Fashion Island branch was also expanded to support the increasing demands of customers. In addition to financial and investment consulting services from the Bank's experts, there is also a full range of facilities in the service areas, such as video conferencing, large digital monitors displaying real-time financial market data, and small meeting rooms for customers. Besides, there are ongoing events and seminars every week to enhance personal and business financial knowledge, investment management, and any other activities for customers.

KRUNGSRI EXCLUSIVE has also developed services and delivered impressive customer experiences by applying technologies to upgrade working processes in order to facilitate customers in making financial transactions efficiently, rapidly, and securely, such as verifying KRUNGSRI EXCLUSIVE status at branches by providing a phone number, increasing channels for enjoying KRUNGSRI EXCLUSIVE privileges on the Krungsri Mobile Application (KMA), organizing seminars and monitoring financial markets, presenting financial and investment news, communicating daily marketing activities, and providing weekly and quarterly overviews of investment and finance via the mobile application.

KRUNGSRI PRIME

KRUNGSRI PRIME is the segment of our customers who have deposits and/or investments with the Bank in the amount of 1 to 5 million baht. In 2020, the Bank promoted the awareness of KRUNGSRI PRIME to its target customers through the campaign, 'Starting Your First Million with KRUNGSRI PRIME, with Advice for Continuous Growth to the Next Million', and placed an emphasis on personal financial consulting service which saw increased interest after the COVID-19 pandemic. Meanwhile, our financial seminars were organized through

webinars and live broadcasts in alignment with the social distancing policy, receiving strong positive feedback from KRUNGSRI PRIME customers as it was convenient to participate in these activities from anywhere. Therefore, more of these seminars are being organized to enhance financial knowledge for customers. Moreover, corresponding to the 'new normal' lifestyle, we added online service privileges for KRUNGSRI PRIME customers, such as television and movie streaming offers in lieu of movie tickets, and discount coupons for online shopping or delivery services; customers can redeem these privileges conveniently through the KRUNGSRI PRIME application.

MASS RETAIL CUSTOMER

In 2020, the Bank continued to promote digital channels with more online products and services that allow customers to complete transactions rapidly and conveniently and provide excellent customer experiences. After the COVID-19 pandemic, mass retail customers have shifted their preference to digital banking transactions, where they can easily complete online applications for products. To further drive the growth of digital channel usage, the Bank focuses on communication to share and introduce various features on Krungsri Mobile Application (KMA) to customers, together with applying machine learning to configure and tailor suitable advice to each customer's financial lifestyle and interests. Contents and details are customized for each customer based on their different digital experiences and levels of expertise. This personalization is key to support customers in gaining a better understanding of the digital products and services and feeling comfortable enough to perform more digital financial transactions. For customers who have less experience in online product applications, the Bank launched a real-time decision management system to help solve problems for customers during the application process with prompt advice through appropriate channels in order to guide customers to smoothly complete the application process. Through our branch network, the Bank continued to enhance our system efficiency, as well as uplift our system capabilities in the financial planning service area so that branch staff can provide advice and engage with customers more effectively.

Kept

Driven by the COVID-19 pandemic and high household debts, the world population has been accelerated to enter the 'new normal' era, leading to the need for financial stability, especially among customers spending money to meet their needs but lacking a systematic money saving plan. Therefore, the Bank has developed Kept, an innovative money management platform, to meet the needs of the new generation who wants to save money systematically, with ease and joy under the concept of #Small Change for BIG FUTURE. For maximum saving efficiency, three new types of deposit accounts, '1 Wallet, 2 Savings Jars', are combined to function automatically in the system, which are Kept Account, Grow Account, and Fun Account. After the launch of the Kept application in mid-2020, it has received broadly positive feedback, and more than 500,000 downloads were recorded in only four months, raising awareness of the online savings trend, especially on Facebook and Twitter platforms. As a new-generation savings application, Kept is available for download on both iOS and Android, while customers can perform authentication through the National Digital ID (NDID) system or the Krungsri i-CONFIRM service at Krungsri branches or any 7-Eleven outlet nationwide. In addition, a customer support team is available 24 hours a day to support communication through various channels, such as the Help Center at 02-296-6299, chat via the Kept application, and social media.



Kept by krungsri is truly a money savings innovation on a digital platform, offering deposit products with a wide range of automatic savings features. Therefore, the application has not only been warmly welcomed by its target customers, but has also attracted international awards in confirmation of its achievements.

SME BUSINESS BANKING

The SME Business Banking is a corporate customer with a sales volume of not exceeding 20 million baht, or an individual customer with a requirement for a commercial credit limit of not more than 15 million baht. The Bank provides various kinds of financial products suitable for each type of SME Business Banking customer as well as beneficial advice through the branch network and staff equipped with relevant knowledge and commercial credit expertise in order to enhance customer competitiveness.

In addition, in 2020, the Bank provided support for and closely looked after customers affected by economic difficulties through various assistance measures as follows:

1. Soft loan measures
   - Soft loans, Phase 1 and Phase 2, to assist entrepreneurs directly or indirectly affected by the COVID-19 pandemic
   - Transformation Loan Project for Business Strengthening (Soft Loan for Machinery Modification, Phase 2)
   - Soft loans to revive the Thai tourism sector
   - Financial support to entrepreneurs affected by the pandemic, from the Bank of Thailand (BOT)
   - Portfolio Guarantee Scheme, Special Phase, Soft Loan Plus

2. Assistance measures and debt payment suspension for SME Business Banking customers, through which they receive installment payment suspension and/or installment amount reduction for up to six months as follows:
   - Assistance measures for customers affected by economic woes and the drought starting in the first quarter of 2020
   - Postponement of debt repayment in accordance with the Emergency Decree on the Provision of Financial Assistance for Entrepreneurs Affected by COVID-19 Pandemic from April to October
   - Assistance measures and debt payment suspension for customers affected by the pandemic after the assistance measures per the emergency decree ended in October 2020

3. Providing a special credit limit for female SME entrepreneurs, who play an important role in driving the economy and increasing the employment rate, to increase financial access opportunities among this group, while also raising awareness of and accounting for the environmental and social impacts

4. Expanding the new customer base by joining hands with Shopee University: Financial Edition to provide intensive tutoring on online business and related technologies for the new SME generation to online entrepreneurs, tips for applying technologies and financial tools to support online entrepreneurs so that they can adapt their strategies to deal with business in the 'new normal' era or improve their businesses to more effectively support and create commercial opportunities

Regarding the 2021 business plan, the Bank will continue to develop and improve the customer experience in terms of credit approval process and account management by shortening the application process and adapting applications through digital channels so that customers can use services more conveniently, such as credit approval, through new digital tools and platforms. In addition, the use of documents will be reduced to speed the transaction process. Plus, new features will be added to support customers' businesses, such as application for overdraft lines of credit, long-term loans, promissory notes, letters of guarantee, and international remittance via mobile application. Furthermore, specific products and services will be offered for each industry, and business partnerships will be expanded to efficiently serve customer needs.

RETAIL BANKING PRODUCTS

DEPOSIT PRODUCTS

The overall deposit industry in 2020 was positively affected by the pandemic. Both business and household sectors became frugal in spending and maintained liquidity by saving cash in deposit accounts, resulting in a significant increase in the overall amount of deposits and savings in particular. For the industry as a whole, the growth rate of deposit volume was at 8 percent in 2020, higher than that of 2019. However, the growth rate of deposit volume of the Bank outpaced the industry at 17.1 percent, driven mainly by individual and corporate customers, especially from JPC/MNC Banking. In addition, the COVID-19 pandemic caused customers to rapidly move into the 'new normal' era, with digital transactions growing by leaps and bounds. In February, the Bank launched a service for opening deposit accounts on Krungsri Mobile Application (KMA) where customers can perform authentication through electronic channels or e-KYC by using National Digital ID (NDID). The Bank also added e-KYC through Krungsri i-CONFIRM and provided more than 12,400

service areas nationwide. In addition to the number of accounts and the deposit volume, the Bank also focused on the use of Krungsri savings accounts as the customers' primary bank account in making any transactions by developing a customer loyalty program to support those who continuously make all types of transactions, including deposit, withdrawal, transfer and payment. Customers meeting all of the requirements will receive additional benefits through the Krungsri GIFT Program, which has received positive customer feedback as well as distinguished international awards.

Regarding the 2021 business plan, the Bank still aims for constantly growing deposits. Digital channels will be mainly utilized to serve individual customers, expand the deposit customer base, and provide financial services. For corporate customers, the commercial and non-commercial business sectors will be the main targets for customer acquisition. Existing technologies will be enhanced while new technologies will be sought to develop new products and services in response to demands of all customer segments.

INVESTMENT PRODUCTS

The year 2020 proved to be one of the most challenging years for investment in recent times due to the economic impacts of COVID-19. Many industries were adversely impacted by the related lockdowns, such as aviation, hotels, restaurants, and shopping malls, while some other industries suffered from continuous impacts, including the hospital business, consumer goods, luxury goods, etc. The global investment value of all assets dropped sharply in March and consequently affected customers' investments. As an investment consultant, the Bank closely monitored customers' investments and followed up on market movements, updating customers accordingly. Furthermore, the Bank sought new investment opportunities for customers to mitigate the abovementioned negative impacts while increasing opportunities for greater returns on investment. In 2020, the Bank introduced outstanding funds from various partner asset management companies, focusing on funds with a policy of investing in businesses being the potential winners amid the pandemic, such as the medical business' emphasis on the use of innovative technologies in the development of products and services, cloud computing business, e-commerce business, etc. These funds received positive feedback from customers.

The Bank also entered a strategic partnership with BlackRock, the asset management company with the world's largest assets under management. This partnership created a great synergy between BlackRock's strength as the world's leading investment specialist with years of experience and expertise in technology as well as insightful analysis, and the Bank's product development team and investment consultants



equipped with expertise and understanding of the local market and the needs of Thai customers. The partnership provides customers more concise and rapid investment advice with access to data and both broad and in-depth analyses of global investment perspectives, including new investment opportunities catering especially to the Bank's customers. The first product under this partnership is Krungsri Global Core Allocation Fund (KFCORE), which emphasizes flexible diversification in both money and capital markets. With strategies set to cope with all investment conditions, it can serve as the core asset for investment of customers to generate consistent returns.

BANCASSURANCE PRODUCTS

First year premium in 2020 increased by 7.5 percent from 2019; the premium was mainly derived from sales through the Bank's branch networks. The COVID-19 pandemic resulted in lockdowns in many nations, a shift in customer lifestyles toward the 'new normal', and greater healthcare awareness. Krungsri became an industry pioneer with the launch of Krungsri Coronavirus Insurance in Thailand. The product received positive feedback from our customers for its comprehensive coverage, such as illness, coma, or terminal illness caused by COVID-19. In addition, the Bank adjusted its operations in line with the 'new normal' by offering insurance products through the 'digital face-to-face' channel. The new channel keeps our customers safe from the pandemic, since it allows Bank staff to solicit business without meeting customers in person. Customers can simply submit e-documents for underwriting, and the policies are delivered to the customers digitally. Moreover, the Bank has introduced life and non-life insurance products on the



Krungsri Mobile Application (KMA) and the Bank's website in order to meet the needs of customers under the concept of 'Buying Conveniently and Rapidly Anywhere Anytime'. Expanding into new business channels, the Bank remains committed to creating new sales skills and developing the capability of all employees, transforming them into financial planning consultants through ongoing in-house and external training courses. The trained financial planning consultants will be equipped with enhanced product knowledge, selling products that truly meet the needs of customers, while complying with the market conduct principles.

In 2021, the Bank will continue to focus on developing life and health insurance products so customers can rest assured without concern regarding medical expenses. New insurance plans will be introduced to match the respective demands of various customer segments, such as seniors, LGBTQ, etc. An Insurance Advisory Platform will be launched to provide advice on financial planning and asset management through life and non-life insurance products. The platform will analyze customer needs and recommend suitable products. The platform is highly adaptable to match the ever-changing economic conditions and suitable products will be offered through all of the Bank's service channels.

MONEY TRANSFER AND ATM CHANNELS

In 2020, the Bank expanded by one more banking agent and the number of branches providing services to existing banking agent partners, resulting in the Bank's total number of six banking agents, namely Counter Service at 7-Eleven outlets, Boonterm kiosks, Thai Post offices, Max Marts shops at PT gas stations, the Bank for Agriculture and Agricultural Cooperatives (BAAC), and cashier counters at Big C Supercenter, Big C Extra, Big C Market, Big C Food Place, and Mini Big C. The total number of banking agent service outlets is more than 140,000. In addition, the Bank organized ongoing marketing activities with banking agents throughout the year in order to build awareness of the service and promote its use.

Regarding the 2021 business plan, the Bank will continue expanding its banking agent network and the number of branches of existing partners. In addition, various additional types of services will be provided through banking agent channels to facilitate customer access to financial services comprehensively and broadly anywhere, anytime, based on their routines.



DEBIT CARD PRODUCTS

In 2020, the Bank still focused on responding to customer needs by launching a debit card product for customers with more specific needs, and expanding channels for service application and provision on the Krungsri Mobile Application (KMA) for greater customer convenience. In 2020, the Bank launched a new product, Krungsri Boarding Card, which is a pre-paid card for overseas tourism or education. It supports up to 16 foreign currencies on one card with special exchange rates. Customers can apply for this service and exchange foreign currency at their preferred exchange rates on KMA. Due to the pandemic, customer behaviors have changed in terms of an increased preference for online shopping. Therefore, the Bank has jointly offered promotions with leading domestic and international online stores, including food delivery and goods delivery applications such as Shopee, Lazada, Gmarket, King Power, GrabFood, and foodpanda, to debit cardholders with additional benefits and convenience for daily spending while using the Krungsri debit card.

As for the 2021 business plan, the Bank plans to provide more debit card services on the Krungsri Mobile Application (KMA) so that customers can make their own transactions, such as card application, card activation and deactivation, and setting card spending limits. This is to enhance customers' convenience and security in using the card. In the meantime, sales promotions will be offered continuously at stores or through online channels to encourage customers to pay for products and services by using the Krungsri debit card.

KRUNGSRI WESTERN UNION

The Bank introduced various projects to facilitate customer service amid the COVID-19 pandemic. Customers can use the Western Union inward and outward remittance service at any time and safely without the need to go to a Bank branch or foreign exchange center, through programs such as 'Easy Money Transfer with Western Union without Leaving Home' where customers can open a deposit account on the Krungsri Mobile Application (KMA) for receiving and sending Western Union funds via Krungsri Online, and Western Union funds receiving service via Interactive Voice Response (IVR) allowing customers to receive Western Union funds anytime. In addition, the Bank was awarded as the Best Service Provider by Western Union for the fifth consecutive year, making Krungsri the representative in Thailand winning the highest number of such awards.

For the 2021 business plan, the Bank will continue expanding Western Union services through Krungsri Mobile Application (KMA) to provide customers more convenience in using the services.



PERSONAL LOAN PRODUCTS

The personal loan market has been greatly affected by the pandemic. Not only did customer income significantly decline, but overall household debt also substantially increased. However, the Bank exercised prudence in providing new loans, while granting loans to customers who still had the ability to service debts, based on responsible lending and customer centricity. The new loan approval framework was continually assessed during the year in order to adjust policies to be in line with the ever-changing economic situation.

Although the personal loan market has been greatly affected, the Bank still developed new products and services for customers. The Bank expanded the scope of digital lending platform services or Krungsri i-Fin products, allowing customers to apply for loans through all channels, including the Bank's website and Krungsri Mobile Application (KMA). In addition, the Krungsri i-Fin product was further developed to support the NDID standard for customer authentication and signing loan agreements through the digital system. Plus, alternative data provided by customers, or the data that customers allow the Bank to access, was also used to support loan underwriting for its improved efficiency and accuracy. In addition, the Bank partnered with Grab Thailand to develop nanofinance products for Grab driver-partners and Grab merchant-partners by providing digital loans through the Grab platform. The partnership has built a strong synergy between the strength of Grab's ecosystem and the Bank's expertise in loan services, offering financial access to customers previously unqualified for traditional financing.

MORTGAGE LOAN PRODUCTS

The year 2020 was marked by an economic downturn caused by the COVID-19 pandemic, resulting in the disruption of global economic activity. Other factors causing people to spend less while avoiding additional debts, especially long-term ones

like mortgage, included a decline in exports, high household debt, decreasing investor confidence, and ongoing domestic political problems, all reflected in the falling consumer confidence index. In addition, the housing market had entered the year in a weakened state due to the economic slowdown and the loan-to-value (LTV) measure implemented in 2019. As a result, Bank loan approvals have significantly declined.

However, the Bank has maintained its relationship with real estate companies that are our partners for approving loans to qualified homebuyers, a practice in line with sustainable banking. Krungsri home loans are highly regarded by our customers and business partners. The Bank underwrites loans and develops products in compliance with the LTV measures imposed by the Bank of Thailand, while adopting the framework of debt obligations based on each customer's debt service ratio to prevent excessive debt formation. Appropriate loan approving criteria have been taken into account to screen customers amid the fragile market, while focusing on promoting mortgage refinancing products to reduce the interest burden for customers.

In addition to the prudent screening of new customers, Krungsri also provided assistance to affected customers through debt repayment suspension and debt restructuring with debt consolidation to help them through these difficult times. The Bank immediately provided assistance to affected debtors from March onwards and presented assistance measures in addition to the minimum aids introduced by the Bank of Thailand. Examples included debt repayment suspension up to six months and suspension of principal repayment for another six months on mortgage loans, and a maximum interest rate of not more than 22 percent on personal loans. In addition, the Bank developed a working process through which customers can register and sign a debt restructuring agreement via the digital channel. This allowed the Bank to provide immediate customer assistance without any additional inconvenience or burden on them. Furthermore, the Bank also issued ongoing assistance measures in Phase 2 for customers who had previously registered in the program but still faced economic problems, as well as customers who had been affected more recently. Assistance measures in Phase 2 were catered to suit each customer, such as a 30 percent reduction of installment payment, conversion from revolving credit to term loan to reduce the debt repayment burden, and providing extra liquidity for debtors' necessary expenses and business operations until their financial recovery allowed them to resume debt service.

'Krungsri Home for Cash' is one of the products that meets the financial needs of customers so that they will not miss new opportunities. The Bank emphasized public relations efforts, especially during the period in which Thailand imposed measures to contain the pandemic, while many customers discovered their hidden capabilities or sought opportunities to pursue new careers or businesses. This led to the slogan of 'Let your house be a large sum of money in creating new opportunities for life', used to promote the campaign in public media. The Bank aims to continuously raise public awareness of Krungsri Home for Cash in order to make it the preferred product for customers.

The Bank also focused on the development of digital tools and systems, which have been improved each year. In 2020, the Bank started implementing Krungsri Home Loan CONNECT, a system that connects to the working systems of real estate companies via the application programming interface (API). The Bank has started connecting with large developers to enhance the capabilities of customer tracking and collaboration. After the Bank obtains the consent of customers to disclose their intention of application for mortgage loan to real estate companies, real-time data of the customers' loan application status will be immediately provided to the real estate company. In addition, the Bank plans to further expand its technology to simplify the processes of loan application, assessment, and appointment for mortgage registration. It aims to deliver the best customer experience while enabling staff to provide better customer service. The Bank has developed a Di-Sales application that connects to the Krungsri Home Loan CONNECT system so that staff can swiftly contact customers wishing to apply for a mortgage loan and respond to their needs in a rapid, accurate, and complete manner. The Bank also focuses on cooperation with business partners by continuously adopting new technologies to enhance the collaboration process between the Bank and our partners for greater efficiency. As a result, the Bank has won relevant awards from international institutions for the fifth consecutive year.

KRUNGSRI STRICTLY IMPOSED PREVENTIVE HEALTH MEASURES FOR THE SAFETY OF THE BANK'S EMPLOYEES AND CUSTOMERS, AND SOCIETY AT LARGE, ESPECIALLY IN THE BANK'S BRANCH NETWORK, WHERE SERVICES ARE DIRECTLY PROVIDED TO CUSTOMERS IN PERSON.

BRANCH DISTRIBUTION NETWORK

Even as many people have embraced the 'new normal', Bank branches continue to be an important channel for financial access among the public. While the key role of branch employees has changed to that of financial advisors, customers can conveniently and securely make their own electronic banking transactions. At the end of 2020, the Bank had 670 branches in total, of which 631 branches were full financial service branches, and 39 branches offered only auto hire-purchase loan services. In 2020, the Bank had a total of 6,500 ATMs and 72 foreign exchange centers. The Bank's goal is to expand its sales and service network for greater efficiency in customer service provision and their easy access to a variety of services. In addition, the Bank provides the KRUNGSRI EXCLUSIVE Customer Service Center, Foreign Money Exchange Center, and Western Union Remittance Service Center. To reduce the need for travel and large numbers of customers at Bank branches, services on Krungsri Online and Krungsri Mobile Application (KMA) are provided. For example, customers can now open a deposit account on KMA and perform authentication via the electronic channel, Krungsri i-CONFIRM, currently located at Bank branches, auto business branches, and authentication service areas at 7-Eleven stores nationwide.

In 2020, due to the COVID-19 pandemic, Krungsri strictly imposed preventive health measures for the safety of the Bank's employees and customers, and society at large, especially in the Bank's branch network, where services are directly provided to customers in person. The Bank introduced various measures for branch employees to strictly abide by, such as screening before entering branch areas, hygiene measures, social distancing, and suspension of transactions posing a potential risk to branch employees and customers. In addition, the Bank also raised awareness of the importance of hygiene practices to prevent the spread of COVID-19. In the meantime, the Bank developed procedures for offering products and services through omni-channel for a seamless customer experience consistent with the 'new normal' era.

In terms of the development of branch employees and working systems to deliver an impressive customer experience with professional financial advisory service, the Bank took the following actions:

- Providing training and notifying branch employees to strictly comply with customer service procedures according to the market conduct principles, including randomly calling customers and checking the sales quality of branch employees to ensure that customers receive correct, complete, and transparent information based on the objectives of the Bank and government agencies, and applying the results to improve operations and customer service



- Adopting the globally recognized spirit of hospitality philosophy, or Omotenashi of Japan, to branch services. In 2020, 16 branches applied this philosophy, and it will be expanded to branches nationwide in 2021
- Applying state-of-the-art technologies to improve and develop the Knowledge-based Management System for branches under the names of Branch Connect and Branch Academy, which are the integrated information center and learning center for branches, respectively, providing complete information that is easy, convenient, and quick to search
- Training employees to become financial advisory experts able to respond to customers' financial needs in all aspects by establishing the Lending Academy for intensive tutoring about loan products, including personal loans, mortgage loans, and SME loans, and the Wealth Academy emphasizing the development of capacity on investment consultation. Any courses designed by the Bank focus not only on theoretical knowledge, but also emphasize role-play so that employees will have complete professionalism
- Developing knowledge and skills of employees so that they are able to perform operations in various roles (re-skill), and raising the level of knowledge and capacity in jobs to become more professional and comprehensive (up-skill), to be in line with the changing needs of customers
- Producing media and organizing activities to promote the 'Think Right Do Right' campaign in order to raise awareness of integrity among branch employees to perform their work properly and reduce operational risks
- Using a full range of CCTV systems to supervise branches' services and operations, along with using artificial intelligence (AI) to assist in preliminary investigations in order to improve customer services in a timely manner, resulting in time and cost savings and faster problem-solving
- Applying Facial Recognition e-KYC to cash withdrawal transactions as an option for customers



CORPORATE BRANDING AND MARKETING DIVISION

The year 2020 saw social and economic woes impacting all customer segments, including retail customers, entrepreneurs, and corporate customers, in varied dimensions and degrees. The situation also catalyzed evolution in customer behavior as digital technology changed people's daily lifestyles, with many activities migrating online. The current digital transformation has sparked Krungsri to identify and address the needs of target customers and to communicate with these customers through channels that can effectively reach them all.

The Bank's website, www.krungsri.com, was overhauled with a new design and content layout to enhance its convenience and ease of use. More functionalities were added to make the website the Bank's perfect information hub, leading to a dramatic 500 percent growth in the organic search results of the site compared to the prior year.

The Krungsri Simple social media was expanded to cover all platforms, including Facebook, Instagram, Twitter, YouTube, Messenger, and LINE to effectively deliver information about the Bank's products and services and foster good relationships with customers. The Bank's social media interaction rate in 2020 increased by 21 percent compared to 2019.

The LINE platform has been upgraded to link with LINE BCRM in order to communicate more directly with target groups, with an additional feature for locating nearby branch offices and ATMs with accuracy via the Google Maps application. There is also a financial calculator feature that customers can use as a financial planning tool. In 2020, Krungsri was granted two awards from the LINE Thailand Awards 2020, namely, 'Best Sponsored Stickers in Finance & Insurance', awarded for the second consecutive year, with more than 3.3 million downloads in 2020, and 'Best LINE Ads Platform in Finance & Insurance' for the communication of the 'Plearn เพลิน by Krungsri GURU' campaign, which managed to reach target customers on the LINE Ads Platform successfully and efficiently.

Krungsri further developed the online content hub 'Plearn เพลิน by Krungsri GURU' to promote financial awareness and create inspiration for living. The number of online readers grew up to 70 percent in 2020 from the preceding year. In addition, the Bank launched 'Krungsri Plearn เพลิน Podcast' in 2020 as a new channel for reaching customers under the concept of 'Money Matters Made Simple by Listening to Krungsri Plearn เพลิน Podcast'

The Bank disseminated financial literacy through various forms of media, including the organization of online seminars to improve customers' knowledge of financial matters. Krungsri also collaborated with social media platform partners to communicate the ideas of business adjustments to all customer segments, especially measures to help them survive the pandemic crisis, and to provide customers timely and useful information including news of the Bank's corporate social responsibility initiatives.

Activities were conducted continuously and communicated to the public under the concept of 'We Never Stop Caring. Krungsri is Right Here Beside You'. We believe that the best way to show that we care is to act earnestly and consistently to stay beside our customers and offer them support in all circumstances. The 'We Never Stop Caring' campaign displays Krungsri's intention to always stay beside our customers and support them in their financial matters, as can be seen in the online film. Additionally, the 'Krungsri Banana', 'Bella Bear', and 'Billy Bear' mascots demonstrate caring in different ways while also helping Krungsri to increase brand engagement and brand loyalty.

Going forward into 2021, Krungsri will continue to be customer-centric by leveraging more data-driven customer insights in each segment and developing various collaborations with business partners. We will continue to measure customer satisfaction via Net Promoter Score (NPS), keep on strengthening Krungsri brand awareness, and listen to customers' voices across every channel, aiming to meet the needs of all customer segments, Make Life Simple by making money matters simple, and build a sustainable and impressive experience for the Krungsri brand.

CORPORATE STRATEGY AND PLANNING GROUP

2020 was a challenging year for business—for both the Bank and our customers. The powerful catalyst of COVID-19 drove the entire business world to digital platforms faster than ever. These platforms, created before the pandemic, were tested by this wave of transformation in a widespread manner. The strategy to move forward with the agile way of working, the shift to the ecosystem style of business, and our Digital First strategy proved to best fit the 2020 circumstances.

In 2020, the Bank maintained its direction toward the agile working model. The Bank continued to equip Krungsri Group staff with the agile working knowledge by training and coaching, from 900 staff members and 27 delivery squads in 2019, to 4,500 staff members in 2020. This expansion of experts helps Krungsri Group move faster in adding value for our customers as well as responding to changes.

The Business Transformation Division plays a major role in establishing key digital platforms for Krungsri and Krungsri Group. Key achievements in 2020 allowed the Bank to take the next step into the digital business era. The Bank successfully launched the high-yield savings digital banking platform, 'Kept'. We continued moving toward API-based architecture with responsive solutions to rapid changes.



The team continued to transform work to the agile working way. At the same time, Krungsri Auto successfully formed a full agile delivery team to launch a new digital platform for car users, 'Go App', which was downloaded more than 250,000 times in its first three months and targeted to reach 500,000 downloads in early 2021. The team also supported a joint working team between Krungsri Securities Public Company Limited and the Bank, successfully delivering a crowdfunding platform in 2020 which is scheduled for a public launch in early 2021. As per the Bank's aspiration for agile delivery, the Business Transformation Division drove continuous transformation by being the scrum master and agile coach to deliver the Digital Lending platform and continue the home ecosystem expansion along with other ecosystems.

Collaboration with business partners was a continual endeavor in expanding the Bank's business in 2020. The Bank made a collaborative effort in providing 'banking as a service' for our partners and customers. An example is the Bank's API service for Chulalongkorn University Savings Cooperative and Assumption University of Thailand (ABAC), including seamless strategic alliance with partners such as Grab by exclusive long-term collaboration, leveraging the synergy of their strengths and capabilities to deliver a superior customer experience in the 'new normal' era.

In 2020, the cross-border financial business played a more vital role. A cross-border digital payment and remittance platform was formed with great support and drive from the central banks of many countries. Led by the Bank of Thailand, Krungsri successfully launched the cross-border payment system to connect to other countries' systems with the B Scan C payment (My Prompt QR) based on the transaction model conforming with the ISO 20022 standard. This connectivity model will bring more opportunities to expand business into multiple countries wider and faster. Krungsri has expanded its cross-border payment in Japan by

successfully connecting and integrating with Japan's NTT, which is the largest payment switching service provider in Japan, so we are prepared for the upcoming Tokyo Olympics.

Customer experience was established as a strategic focus for changes toward a customer-centric organization, bringing in the outside view from customer journey to the process of CX improvement, experience design and delivery, for both digital and non-digital interactions, and building sales and service platforms for frontline teams to be able to deliver a superior experience to customers.

We embedded customer experience stewardship in the development of new business models, products and services, channels, and corporate culture, fostering customer-centric approaches and practices such as design thinking, service design, and customer journey mapping. These measures will help give Krungsri a competitive edge in the digital era.

At the back end, the finance and risk program management team is now working to deliver projects as per the demands from regulators and controllers related to financial reporting. The Bank complies with the IFRS 9 financial reporting standard and already performs daily regulatory executions. The process reengineering and robotic usage has been continued from the pilot phase and is entering the expansion phase which will contribute much more improvement in terms of cost efficiency.

INFORMATION TECHNOLOGY GROUP

With the aspiration to 'Go digital, make life simple' for our customers by building a future-ready, robust, and adaptable technology platform through agility and innovation, we strive to usher in new technology and new ways of working to implement future-ready platforms. In 2020, we successfully offered new solutions and platforms to smooth the customer journey as follows:

- Kept, a new digital deposit platform, was launched to offer a fun and easy savings product to match the needs and lifestyles of customers in the digital generations.
- Open Banking API platform was launched to support our journey towards the 'Banking as a Service' goal. The platform provides seamless integration with our partners so that we can offer a variety of products and services in response to the multi-experience customers' journey. As of now, we have provided more than 180 APIs to our partners.
- New QR merchant and e-Wallet platform solutions were launched to offer comprehensive payment service to simplify customers' lives.
- New corporate digital platforms such as the Krungsri Smart COOP application were successfully launched to provide superior banking services to corporate customers such as the Electricity Generating Authority of Thailand (EGAT) and Metropolitan Electricity Authority (MEA) as well as IRPC Public Company Limited (IRPC), etc.
- With robotic process automation (RPA), we reduced manual operations and helped the Bank save approximately 280,000 person-hours annually, and we plan to continue promoting the Bank-wide adoption of RPA technology to improve productivity and efficiency.

In addition to our success in launching the abovementioned platforms, we put in considerable effort to ensure that our platforms are both effective and secure in line with world-class cybersecurity standards to protect the sensitive information of all stakeholders. To promptly handle various sophisticated cyber threats as well as tackle cybersecurity incidents in a precise, accurate, and timely manner, the Bank enhanced cybersecurity resilience in terms of compliance and management, likewise preparing the operating process to handle such risks. The practices cover proactive cyber threat monitoring, cyber threat management approaches, and de-escalation and reporting of risk incidents. Additionally, several measures such as efficiency enhancement for the threat intelligence platform, cyber drills, and improvements in data leakage prevention were established. In this connection, the Bank maintains high-level IT security standards by collaborating with MUFG to exchange knowledge, know-how, and innovation to uplift control and protection approaches in accordance with the regulatory requirements and industry best practices such as cyber resilience assessment, intelligence penetration tests, DevSecOps development, and ISO/IEC 27001 certification inspection. In addition, the Bank continues enhancing the IT security awareness and knowledge of the Board of Directors, executives, employees, and business partners through various channels. These efforts echo the Bank's commitment to protecting the sensitive data of our customers in a sustainable manner.

The aforementioned achievements would not be possible without great support and collaboration from all related parties, including the superb team spirit of all Krungsri employees, our partners, as well as vendors and suppliers. Also, the Information Technology Group is in the process of developing various platforms to simplify customers' lives in line with the BOT's initiatives such as the digital personal loan program, Project Inthanon, and other government projects such as the National Digital Trade Platform and the Personal Data Protection Act (PDPA).

2020 was a drastically challenging year for every organization—Krungsri being no exception—due to the COVID-19 pandemic. Thus, organizations worldwide were forced to rely on domestic supply chains, which brought about a new trend where the business sector has shifted its focus from 'globalization' to 'regionalization'. Also, the lifestyles and behaviors of customers in all generations have considerably shifted towards digital trends in a faster-than-ever manner. Hence, new ways of work have been required during the pandemic, where corporations across the globe are together embracing and embedding the guidelines into their respective corporate cultures. During the March lockdown, the Information Technology Group adopted several measures to cope with the situation in a timely manner to ensure business continuity and allow Krungsri employees to work anywhere, anytime. Details of which are as follows:

- Activated the Business Continuity Plan (BCP) by setting up at least 15 alternate sites with the installation of 1,182 sets of necessary equipment
- Installed and used web-based communication tools such as Office365 and WebEx to support virtual meetings and team collaboration in line with the social distancing policy
- Facilitated employees who were required to work from home by providing laptop computers and implementing VPN solutions to support at least 7,500 concurrent users and thus ensure effective remote working
- Introduced a new communication channel and extended the scopes of service of the contact center and telephone systems to support customers and employees during the pandemic
- Launched applications to track and trace employees during the lockdown period and offer self-service channels for the Bank's employees; for example, the Group provided support to employees when they requested a supporting letter in case they were required to work a night shift during the curfew as specified in the emergency decree.

We not only carried out these approaches to mitigate the impact of the pandemic, but we also carefully prepared and developed technology and infrastructure to support the recovery and transition. This is truly a paradigm shift to ensure resilient and flexible transformation towards a new way of work.

Considering the implementation of the next Medium-Term Business Plan covering 2021-2023, the Information Technology Group has come up with four strategic themes to drive the group towards our aspiration, which is to modernize IT organization with innovation and agility that bring a competitive advantage for business sustainability and growth across the region. These strategic themes can be summarized as follows:

- **'Digital First and Platform for the Future'** by using the digital concept to create cutting-edge applications or technology platforms. This includes design thinking towards the open banking architecture to support both internal and external users. The system will be more flexible to sustainably respond to changes.

- **'Data-Driven Organization'** by improving the data platforms and integrating data across Krungsri Group to become a data-driven organization and ensure that employees are equipped with the skills to use data and advanced analytic tools.
- **'IT Efficiency and Productivity'** by simplifying architectures and minimizing operating costs. Moreover, automation shall be applied to better serve both customers and employees with swiftness to improve productivity.

- **'Workforce Development and Transformation'** by developing and transforming our IT workforce towards digitization. The IT Center of Excellence has been established to ensure that employees across Krungsri Group are able to leverage skills and expertise to deliver high-standard performance.

By adhering to these four strategic directions, the Information and Technology Group strongly believes that we will have a resilient transition and be able to cope with changes in a sustainable manner.

OPERATIONS GROUP

The year 2020 brought many challenges, experiences, and lessons due to the COVID-19 pandemic. With this in mind, the Operations Group was obliged to transform itself amidst rapidly changing circumstances which prevented us from relying on previous approaches to cope with these challenges. In fact, flexibility proved key in responding to the dynamic business landscape. Therefore, to ensure that Krungsri stayed on the right track towards its sustainable banking aspirations, the Operations Group managed to rise above the uncertainties by adopting resilient transformation as a new paradigm for advancing to a new operating approach.

In response to the pandemic, we split the operational sites of our main functions into three different locations to mitigate the risk of infection, while allowing operating officers to work from home in line with the 'new normal' guidelines. These endeavors aimed to ensure that our services could be continuously and smoothly carried out without impacting the health of our customers and employees. In addition, we strictly complied with the standards of social distancing guidelines by maintaining distancing among our staff in line

with the requirements of the Center for COVID-19 Situation Administration (CCSA).

To support our customers amidst the crisis, we focused on providing assistance to those impacted by the pandemic and cross-functionally collaborated with relevant departments to set up the 'COVID Debt Relief Taskforce'. This was not only to respond to the overwhelming calls for assistance, but also to closely communicate with our customers about the special relief programs. At the same time, we initiated and expanded online self-service channels including IVR to increase our capacity and thus match our customers' needs.

Similarly, our credit business operations teams employed their best efforts and encouraged the officers to do the utmost when processing the flood of customer requests to join the debt relief programs. The assistance measures from both Krungsri and other organizations can be summarized as follows:

- Krungsri Special Debt Relief Program (SDR) granted to SMEs and retail customers
- The Bank of Thailand (BOT) loan payment holiday of at least six months
- The Bank of Thailand (BOT) soft loan scheme
- Government Savings Bank (GSB) soft loan scheme

Apart from dealing with the pandemic, the Operations Group continuously focused on the adoption of new technology to transform operating processes in becoming an automated and digitized organization with the aspiration to enhance our customer experience and upgrade our service standards. The key achievements in terms of digital initiatives can be elaborated upon as follows:

Our contact center team successfully launched an AI chatbot as smart assistant named 'Bella' that can better serve our customers through voice and non-voice channels, equipped with a function to promptly answer all customer enquiries. We also set up the 'Kept' digital banking help center to provide support to Kept customers through live chat and social media channels. Most importantly, with the advanced omni-channel platform, we also improved customer touch points to ensure effective and seamless service.

As for international payment, the Bank successfully implemented KBOL cross-border payment via Ripple to Krungsri Lao Branch, followed by API cross-border payment with partner banks, Lao Development Bank and other banks including Bank Danamon Indonesia. Moreover, cross-border QR payment was launched for merchants based in Japan and will be further deployed in other countries. On top of that, we also succeeded in offering SWIFT transaction service through the Krungsri Mobile Application—a milestone achievement reflecting our commitment to expanding the scope of the Bank's funds remittance and payment services in the future.

As regards our deposit balance certificate, the service was expanded to cover various e-Banking channels, namely Krungsri Mobile Application, Krungsri Online, and Krungsri Business Online, to handle customers' requests and facilitate their convenience, allowing them to pick up the certificate at the branch of their choice.

Additionally, we enabled e-LG application via Krungsri Business Online with the aim of improving the customer experience by allowing them to request a letter of guarantee through Krungsri Business Online instead of paper-based submission. The initiative enhances our operational efficiency by making the most of electronic data in conducting automated transactions.

Based on our initiative to design an automated appraisal process, the Group has collaborated with Baania (Thailand) Company Limited, a leading real-estate service provider, with the objective of utilizing their strong IT capability and comprehensive database, whereby machine learning (ML) and artificial intelligence (AI) have been integrated in the process. During the initial stage in 2020, the approach was applied in the price appraisal process covering condominiums, townhomes and single detached homes in the Bangkok metropolitan region. We managed to achieve a satisfactory, better-than-expected result, with 95 percent accuracy.

In terms of operational efficiency and productivity improvement, we successfully adjusted our payment service—especially for merchant operations and the cash return process—with an effort to improve turnaround time (TAT) of the data retrieval process. Concurrently, a new system named 'Chargeback Management System' has been deployed to handle Visa debit card payment rejections with effective tracking and reconciliation. To upgrade and automate our operating system, we deployed the new 'Phoenix' system to update both funds deposit and withdrawal transactions with the expectation of reducing turnaround time (TAT) to satisfy our customers.

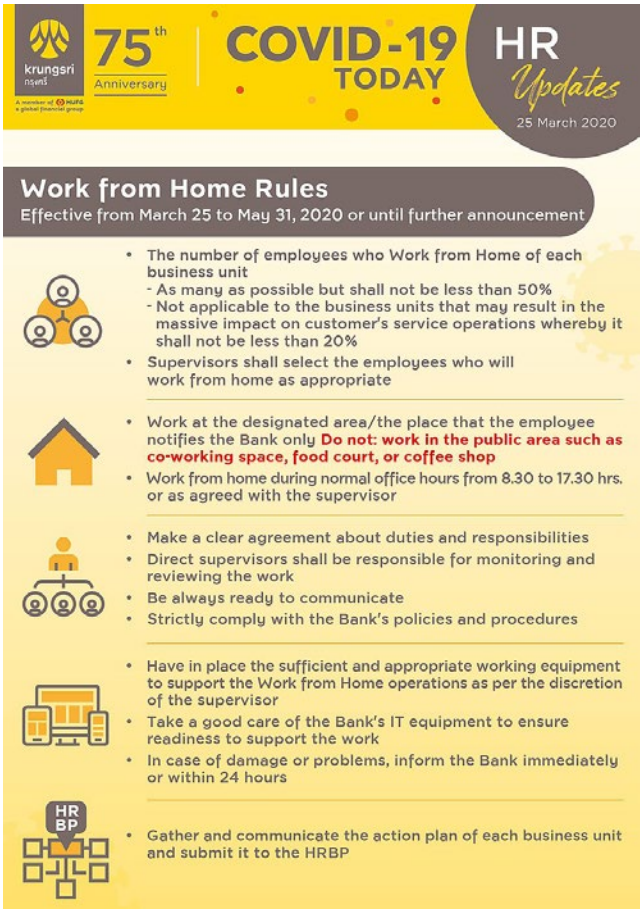
Moreover, we adopted a technology called optical character recognition (OCR) to support the customer consent management process, and 'Kofax Total Agility' (KTA) to handle the document preparation process in trade finance operations. With these technologies, we expect the increasingly automated process to replace our manual operations and strengthen internal controls. In 2020, we maintained the high-standard performance of remittance transactions processed by straight-through processing (STP), the efficiency of which is proven by an award from the Bank of New York Mellon.

For human resources development, we greatly aspire to enhance knowledge and capabilities of our employees through various internal and external training programs—especially in the areas of operational upskill. The operations productivity improvement pathway program was introduced along with an agile way of work, data analytics, innovation and new technologies. These efforts are to ensure that our employees are equipped with exceptional professional skills so that they can provide the best solutions to enhance customer experiences—internally and externally.

For 2021, considering the digital transformation to enhance productivity and efficiency, together with an excellent customer experience playing a crucial role in the Medium-Term Business Plan (MTBP), a number of initiatives are in the pipeline to be launched in a bid to leverage the straight-through processing (STP), end-to-end workflow, and automated processes including real-time and paperless service. This includes our efforts to digitize the end-to-end credit approval process—ranging from post-credit approval processes such as credit facility set-up and contract preparation, to credit disbursement. In addition to an increase in productivity, these initiatives will contribute to a swift process and real-time traceability, while at the same time enhancing data utilization and day-end reconciliation accuracy.

The Operations Group plans to introduce new technology to automate signature verification for the cheque service together with the deployment of new artificial intelligence (AI) to support the estimation of the remaining cash in ATMs in an effort to optimize cash logistics costs. Furthermore, the digital lending project to offer P-Loan through Krungsri Mobile Application will be launched in early 2021, whereby the project features automated processes—including document safekeeping. The e-strong room project and the digital onboarding program are also to be introduced to convert all paper-based data into electronic data. In the near future, we plan to digitize the payment process for the Social Security Fund to facilitate customer convenience and reduce paper use.

On top of that, data interface among systems and applications of the Bank is also embedded in our plan. In 2021, we will kick off the connection of the Global Market Group operational system with the transactional banking system, not only to provide timely and accurate transaction data to our customers but also to improve the Bank's automated processes.



HUMAN RESOURCES GROUP

TOWARD SUSTAINABLE HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT

Amid the challenging and volatile business environment and the unprecedented COVID-19 pandemic in 2020, employee health and safety remained our top priority and commitment. The Human Resources Group took proactive steps to monitor, control, and prevent the spread of COVID-19 to ensure that all our employees maintained a high level of productivity and standard of living while avoiding disruptions, risks, and relevant impacts. Various measures were carefully established and implemented, including working from home, development of online learning solutions through the Krungsri Digital Learning program, communication to enhance knowledge and understanding as well as boost employee morale, and the setting up of a COVID-19 Helpdesk as a channel for employees to report health status, make inquiries, or give suggestions via the Line official account, 'Humans of Krungsri'. On top of that, COVID-19 insurance was also obtained to provide additional medical coverage for Krungsri staff.

Throughout 2020, senior managements and all relevant functions collaboratively and effectively worked toward proactive crisis management. Along the way, the immense power of team spirit and eagerness to make innovative changes and embrace the 'new normal' trend propelled the business of Krungsri forward amid the COVID-19 uncertainty, and readied the Bank for sustainable development.

SUSTAINABLE HUMAN RESOURCE DEVELOPMENT

Krungsri has been firmly committed to sustainability practices covering human resource development framework under Krungsri Core Values to enhance personnel capabilities and foster ethical behavior to prepare our human capital to actively embrace new ways of working due to technological innovation and digital disruption in the banking industry that has sparked the entry of new players and accelerated changes in consumer behaviors. In 2020, the Human Resources Group continued its momentum by promoting knowledge acquisition and sharing through six learner-centric development programs:

1. **'Achieving Everyday Success' Program:** Designed to develop fundamental skills and foster Krungsri Core Values and leadership competencies necessary for employees to deliver results smoothly and achieve success in daily working life

2. **'Striving Beyond Your Best' Program:** Designed to support employees in enhancing their skills to deliver greater results through increased personal, team, and business effectiveness

3. **'Getting Ready for Future' Program:** Designed to prepare learners for their professional development and career advancement among business challenges and technology revolution through developing the correct mindset, broadening knowledge, and enhancing necessary skills. The program also focuses on creating well-rounded employees who demonstrate creativity in their daily work to help bring about an innovative organization, achieve the Digital First mission as well as strengthen business competitiveness. The program includes:

    - Digital & data courses such as Digital Mindset & Transformation, Basic Data Analytics & Tools, Data Expert Sharing, Data Engineer Pathway, Advanced Data Analysis & Data Visualization, Deep Learning, Machine Learning, all facilitated by the Krungsri School of Data to create awareness of digital transformation among employees and build competency in converting data into insights to support effective decision-making in matters including product and service design and effective solutions for customers as well as strengthen the expertise of our data analytics professionals, data scientists, and data engineers to maximize benefits for the organization
    - Upskilling and reskilling courses for employees to get ready for the future such as Digital Disruption in Banking Industry by Mr. Fintech, Digital Mindset & Transformation, Introduction to Big Data, etc.

4. **'Winning Business Challenges' Program:** Designed to broaden knowledge necessary for learners to keep pace with and win business challenges. The five key subject areas include Business Acumen & Economic Update, Integrity & Corporate Governance, Regulatory Update & Requirements, Organization & People, and Operational Excellence.

5. **'Growing Expertise' Program:** Designed to enhance specific expertise and professionalism as well as service excellence of specific groups of employees to support Krungsri in becoming a customer-centric organization that delivers the best customer experience through Functional Training Programs for 15 functional groups, the License Program, and the Credit Underwriting Program.

6. **'Leading to the NEXT Level' Program:** Designed to prepare learners to grow further to the next career level, the program includes three Krungsri Leadership programs, TRANSCEND – TRANSFORM – TRANSITION, designed to develop senior executives, talents and successors to lead the organization in riding the wave of digital transformation, achieving the organizational goals, and strengthening corporate and social sustainability. The program employs an integrated learning approach on modern learning platforms facilitated by expert lecturers, business trips and experience sharing, case study, knowledge sharing, and application of knowledge in practice through project work delivered by cross-functional division leaders.

Furthermore, Krungsri attaches importance to human resource development in several areas to promote business growth, and support the organization to achieve sustainability, including economic, environmental, and social sustainability.

- Courses on sustainability development equip Krungsri management and employees with knowledge and understanding of the concept of sustainable organization development through responsible business practices that cover environmental, social, and corporate governance (ESG) practices such as ESG Overview and Sustainable Banking Development, Zero Waste, etc.
- Courses on productivity to enhance employee productivity such as Growth Mindset, Kaizen for

Success and Productivity Improvement, Be Proactive: The Power to Effectiveness, etc.

- Courses on financial management skill enhancement to create well-trained financial advisors who can effectively cater to customer needs and maximize customer satisfaction, such as Basic Investment and Economics, Effective Business Integration, Wealth Coach Preparation for Branch Manager, Branch Wealth Officer, etc.
- A course on the Personal Data Protection Act B.E. 2562 (PDPA) to equip employees with knowledge about legal requirements and ensure employee awareness and compliance: The course covers background and definitions of relevant terms, employees' roles regarding personal data collection and use, data security, personal data breaches and complaints, and business impacts.
- A compulsory course on anti-money laundering (AML) including amendments and impacts under the 'Anti-Money Laundering Board Ordinance on the Provision of Training to the Reporting Entities under Section 13 and Section 16, B.E. 2563 (2020) by a Juristic Person' of the Anti-Money Laundering Office (AMLO). The course contains detailed information for those responsible for reporting under Section 13 and Section 16, and those involved in transaction reporting and reporting control, customer identification, and customer due diligence.
- The CPR/AED Champion Project, which was launched in collaboration with EMS Chula by Chulalongkorn Hospital to provide knowledge and understanding of how to do CPR (cardiopulmonary resuscitation) and use an AED (Automated External Defibrillator), as well as basic life support and first aid steps, through development of the 'Basic Life Support' online course.
- Krungsri Tech Academy: A four-month Tech Internship Trainee Development Program for fourth-year university students to gain knowledge and develop their skills, mindset, and attitude in preparing for their careers. The course covers preparation for careers, as well as knowledge and skills required for the future, and is facilitated through multiple approaches including classroom training, online classes, workshops, and conversion of knowledge into practice through project assignment and a presentation at the end of internship period, with mentors to provide support and advice throughout the internship period.

Technology has been brought in to improve and simplify the learning management process. QR code attendance tracking via iJoin application was introduced on March 1, 2020, resulting in more efficient learning management.





In response to the COVID-19 pandemic, virtual training sessions through Webinar, Microsoft Teams, and WebEx were conducted to replace classroom training. In 2020, 74 percent of the training sessions in the annual training calendar, or 79 out of 107 sessions, were arranged via Webinar.

With our continued commitment to human resource development, in 2020 Krungsri was once again recognized as the best learning organization and won five awards from the Employer Branding Institute, Human Resources and World HRD Congress, marks of recognition that reflect our strong commitment to organizational development and human resource excellence. Furthermore, Krungsri was announced as the Gold Award Winner of the 2020 Thailand Most Innovative Knowledge Enterprise (MIKE) Award.

TOWARD SUSTAINABILITY WITH PRODUCTIVITY, TALENT, AND SUCCESSION PLANNING MANAGEMENT

In 2020, the Human Resources Group continued to focus on productivity management. Human resource effectiveness was continuously monitored and evaluated, and efforts were made to improve human resource management efficiency. In so doing, attention was paid to the return on investment in human capital to ensure that human capital expenses have been appropriately managed to achieve optimum efficiency and effectiveness. Moreover, the succession plan has been established and reviewed annually with key considerations on individual performance and potential of

qualified successors for critical roles in the organization. Also, succession plans of Krungsri and companies in the financial business group have been aligned and linked with those of MUFG Bank to ensure Krungsri could achieve sustainable management and leverage MUFG's talent management and development capability in the long run.

EMPLOYER BRANDING TO FUEL TALENT ACQUISITION TOWARD SUSTAINABLE GROWTH

The Human Resources Group made innovative changes to enhance resilient transformation and keep our focus on attracting talents with the goal of being an employer of choice and achieving sustainable growth throughout the year 2020.

Krungsri still proactively reached out to talents to support our business functions by leveraging our digital and online channels, and running recruitment events and activities with more focus on digital channels. Our talent acquisition journey has been revamped to be more digitized and with a greater emphasis on online recruitment processes including e-application platform, interview, evaluation, onboarding, and many more. We also took this opportunity to reexamine our working process and make it more customer-centric, effective, efficient, and prudent.

Regarding employer branding, we targeted two key elements, that is, partnership building and nurturing, and communication of our strengths. Highly positive responses were received for our communication efforts. On partnerships with key institutes, we leveraged and maintained strong, positive partnerships with all related parties and built upon them with several activities that were win-win for all.

To create a digital talent pipeline to fulfill the present and future needs of our business, we revamped our internship program to become the Krungsri Tech Academy that included Krungsri Tech Internship, giving talents the opportunity to receive on-the-job training during their cooperative program and finally join Krungsri as members of our full-time workforce after graduation.

In addition, we nurtured strategic partnerships by continually pursuing proactive collaboration with leading academic institutions for the Research/ Project Funding Program 2020. In this program, both our partners and Krungsri exchanged knowledge and together, put the knowledge into practice and successful projects.

Regarding Krungsri Talent Brand communication, on top of the digital and social media talent engagement channels including Krungsri Career on Facebook, Line, and LinkedIn, Krungsri retained diversity and inclusion as one of our factual people themes by launching the communication campaign called 'Krungsri Life Begins'. The clip not only reached the eyes of millions of social media viewers but also received positive feedback from various well-recognized social influencers. Moreover, internally, the campaign engaged and boosted the people of Krungsri to feel proud of their workplace. Furthermore, Krungsri stayed on the lookout for how we could be better in our talent brand as part of our mission toward sustainable growth. An Employee and Candidate Value Proposition Survey has been launched internally and externally to obtain knowledge, understanding, and insights of the talents. Ultimately, the results will serve as our strong baseline for 2021 and beyond.

Finally, through all of these endeavors, Krungsri Talent Brand once again achieved global recognition by being awarded as one of Thailand's Best Companies to Work for in Asia 2020. Among the 138 companies that participated in this competition, Krungsri joined 37 other leading Thai companies to win this international award for the first time.

SUSTAINABLE HUMAN RESOURCE MANAGEMENT AND OPERATION

In 2021, the Human Resources Group aims to achieve work process improvement through automation and online tools as part of the Digital First mission and the 'new normal' way of working. Process digitalization has been implemented to enhance the effectiveness and efficiency of the service process and offer greater job satisfaction to Krungsri staff while saving paper costs and reducing turnaround time. Starting in January 2021, Krungsri employees can enjoy the convenience and speed of the following online services:

- **New Payroll System:** An online self-service channel that allows employees to download compensation-related data through seven modules including e-Payslip, e-Certificate, e-BIS (50 Tawi), e-Letters/Salary Increase & Bonus, e-OT, e-Tax Allowance (Deduction), and e-Provident Fund.
- **Staff Loan System:** A self-service system that allows employees to submit staff loan application and check their application status online, thereby offering convenience and saving time previously spent on follow-ups via phone. Relevant processes and forms have also been revised to ensure compliance with the Personal Data Protection Act, including documents related to recruitment and hiring processes and employee profiles.

Also, on account of the COVID-19 pandemic in 2020, Krungsri took out additional health insurance coverage to boost employee morale and peace of mind amid the crisis.

RISK MANAGEMENT

The Risk Management Group has confronted various global and domestic challenges including a new business environment, regulations, and disruptive technologies. Fully cognizant of such challenges, and working with MUFG's risk management unit, the group has consistently prioritized enhancing risk management mechanisms for greater operational efficiency.

Krungsri has been judicious in risk management, using a variety of such techniques, as high-quality risk management is key to our operations. Our core responsibilities in this area are to identify, measure, control, monitor, and manage risks through policies, measurements, and monitoring procedures guided by our internal governance principles. All of our initiatives are consistent with Krungsri's strategies and business model.

CREDIT RISK

The Risk Management Group is primarily responsible for identifying, assessing, mitigating, and monitoring risks within acceptable limits. These functions also include analyzing risks and preparing risk policies, procedures, and governance principles approved by the Board of Directors.

ENTERPRISE-WIDE RISK

To support sustainable growth and align ourselves with global standards, we have established the 'Enterprise-wide Risk Management Framework (ERM)' to oversee and proactively manage material risks. ERM tools such as the Risk Appetite Framework, the Risk Map, the Heat Map, and key risk-identification procedures have been developed and implemented to dynamically identify, assess, and monitor risks using an integrated approach. Under ERM, appropriate actions can be taken to ensure that Krungsri Group's risk profile is aligned with our business plan, and that risk management strategies are within our risk capacity.

MARKET RISK

The Bank focuses on proactive market risk management under a robust risk management framework; it monitors and mitigates market risk in an appropriate and timely manner within the risk appetite. Throughout 2020, market risk in both trading and banking book remained within acceptable levels as the Bank emphasized the necessity of close and active monitoring of risk exposure for timely response to market volatility caused by the COVID-19 pandemic, business strategies, and new regulations and practices.

The Bank has continuously enhanced the market risk measurement process and relevant systems in response to Interbank Offered Rates (IBORs) Transition, Roadmap of Thai Reference Rate Benchmarks, and etc., to ensure that the Bank's risk assessment and control are adequate to support and suited to the complexity of changing transactions with a new reference rate.

In addition, the Bank has emphasized exploring potential products and services to accommodate sophisticated customers' needs in cross-border business and risk management, by leveraging MUFG's global network.

LIQUIDITY RISK

The Bank recognizes the importance of regulatory requirements, as the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are always maintained over the minimum requirement, by considering regulatory compliance, deposit restructuring, and effective cost management. To keep liquidity risk within acceptable levels at all times, the Bank manages its liquidity position as deemed appropriate for market conditions under both normal and crisis situations. In addition, the Bank has disclosed essential information on LCR to shareholders and investors for assessing the Bank's liquidity risk and encouraging market discipline.

During the COVID-19 pandemic, the Bank placed special emphasis on its liquidity position in both THB and major foreign currencies by closely monitoring the situation and conducting a Market Liquidity Simulation at the early stage of the COVID-19 pandemic in March 2020 to warn senior management and relevant committees of any circumstance that could significantly impact the Bank's liquidity. A series of flash reports on the COVID-19 pandemic have been carried out to see its impact on both short- and long-term liquidity risk management. Market Risk Management maintains close communication with the Front team on significant movements in the Bank's liquidity.

In addition, the Bank has a liquidity contingency plan together with action plans and potential countermeasures intended to allow the Bank to promptly manage crisis events and successfully resume normal operations.

OPERATIONAL RISK

The Operational Risk Management Division works to ensure minimal impact on Krungsri and our subsidiaries in the event of any failure due to internal or external factors, or outages. The entire Krungsri Group regularly performs a Risk Control Self-Assessment, while key risk indicators developed for all departments are closely monitored. New and significant changes to products, processes, and technologies are required to undergo comprehensive risk evaluation to prevent and mitigate potential risks, including information technology risk and cyber threats.

The process of reporting operational risk incidents is embedded in and implemented across Krungsri Group. Any significant incidents are systematically analyzed by our dedicated working group. A business continuity plan has also been devised and is regularly tested and updated. In 2020, Krungsri complied with the BCP to manage and respond to the COVID-19 pandemic at its early stages. This was to ensure that the Bank uninterruptedly delivered services to customers as well as mitigate the risk of infection among our employees.

INFORMATION TECHNOLOGY RISK

The Bank recognizes the prevalence of information technology risks and regards them as a significant risk category. Thus, we continue developing methods and tools to manage information technology risks, aligning with standard practice in response to innovative banking products and services. The risk management approaches focus on confidentiality, integrity, and availability of systems and data—including the maintenance and protection of customer data to boost customers' confidence in the Bank's financial services.

COMPLIANCE

The Bank firmly believes that good corporate governance is a crucial part of its sustainable growth amidst the continuously changing business environment. In addition, all business undertakings in line with good governance principles of the Bank and business engagement with suppliers and vendors serve as a guideline as always adhered by the Bank.

Hence, the internal management of the Bank has a structure designed per the principles of checks and balances, whereby the Compliance Division was also designated as an independent function to serve the management in overseeing the Bank's compliance with applicable laws, regulations, and good corporate governance principles. In 2020, the Compliance Division established a new department, resulting in a total of six departments in the Division, namely the Regulatory Compliance Department, Corporate Compliance Department, Anti-Money Laundering Department, Compliance Planning and Review Department, IT Compliance Department, and Subsidiaries Supervision Department.

In any event, preventive measures coupled with monitoring measures continue to be the core elements of the Bank's compliance framework. For preventive measures, in addition to knowledge sharing on related regulatory requirements, the Bank also proactively promotes a compliance culture. In 2020, apart from additional training courses via e-learning programs with an expanded scope to cover more complex and interrelated, multi-faceted rules and regulations—namely Market Conduct, Cybersecurity Act B.E. 2562, Anti-Money Laundering Act, B.E. 2542, and Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing Act, B.E. 2559—internal and external experts were invited to share their knowledge and experience with Krungsri's employees. In addition, the Bank used various channels to communicate with employees on laws and regulations, such as the Bank intranet (WE Connect) and an official LINE account, 'krungsricompliance'. This is to ensure that the Bank employees can be equipped with knowledge and an understanding of various regulations in a comprehensive manner.

As for monitoring, the Compliance Division, on behalf of the Bank, conducted compliance testing corresponding to various risk levels as identified per the Compliance Risk Assessment Framework that covers diverse risk factors in various dimensions. Based on the assessment results, measures including compliance checklists, offsite and onsite testing, and other measures had been deployed holistically to reflect the actual risks as deemed necessary. A review of the activities of the Bank's Compliance Division was also self-assessed by the Bank's own Compliance Division (2.5 Line of Defense) to ensure that all activities were completely carried out in accordance with the established plans and standards. In addition, testing results and compliance activities were presented to the Board of Directors through relevant subcommittees and senior management on a monthly basis.

The Bank also placed considerable emphasis on complying with the regulations regarding anti-money laundering, counter-terrorism and proliferation of weapons of mass destruction (AML/CTPF), including those of MUFG's financial crime compliance standards, namely Global Financial Crimes Risk Assessment and Global Standards Rollout, to elevate the Bank's alignment with international standards. Moreover, the Bank has coordinated with related government agencies and provided them financial information and documentary evidence as required by law for effective legal action against offenders.

Moreover, the Bank continued to adopt new technology to support its ongoing compliance measures. In 2020, the Bank embraced robotic process automation (RPA) to enhance efficiency of data collection and provision of financial information. The Bank also developed an electronic KYC form (e-KYC) for the revision of customers' identification and verification, and saved the revision results in an electronic form to replace hard copies. These efforts not only enhanced efficiency, but also helped streamline operational processes.

The Bank has also developed additional compliance-related guidelines to ensure the effectiveness of compliance control by setting up a framework for reviewing information technology compliance, creating a Market Conduct Dashboard, and deploying the Data Analytics Tool in 2020.

BUSINESS MANAGEMENT OF SUBSIDIARIES AND JOINT VENTURES

KRUNGSRI AMC

KRUNGSRI AYUDHYA AMC LIMITED

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

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

Source of funds: The Bank

KRUNGSRI NIMBLE

KRUNGSRI NIMBLE COMPANY LIMITED

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

Source of funds: The Bank

KRUNGSRI LEASING

AYUDHYA DEVELOPMENT LEASING COMPANY LIMITED

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

Market and competition: Krungsri Leasing focuses on providing customers financial lease facilities for commercial purposes, so that they can acquire machinery, equipment, and commercial vehicles which enhance their capabilities for business expansion, or increase their financial liquidity apart from banking facilities. The company provides the credit facilities mainly based on customers' operating cash flow as well as the liquidity of the leased asset rather than the collateral value of the immovable property; therefore, a financial package suited to customers' needs with competitive terms and conditions can be provided. Krungsri Leasing, the industry leader, focuses on medium- to large corporate customers in various industries nationwide, thereby differentiating the company's products and services.

Source of funds: The Bank

KRUNGSRI AUTO

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

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

KRUNGSRI CONSUMER

KRUNGSRIAYUDHYA CARD COMPANY LIMITED (KCC)

Type of service: Credit card issuer, providing various products for serving customers' diverse lifestyles. Products include Krungsri Exclusive Signature Credit Card, Krungsri Signature Credit Card, Krungsri Visa Platinum Credit Card, HomePro Visa Platinum Credit Card, Krungsri Lady Titanium MasterCard, Krungsri Corporate Credit Card, Krungsri Manchester United Visa Platinum Credit Card, AIA Visa Platinum Card, Krungsri JCB Platinum Card, and Siam Takashimaya Credit Card, with a total of more than 2.3 million cardholders in 2020. On October 27, 2020, KCC was assigned an AAA rating by TRIS Rating Company Limited; it has been assigned this rating for five consecutive years, reflecting the company's ability to maintain its leading position in the credit card business, manageable asset quality, and solid equity base as a strategic subsidiary of Bank of Ayudhya Public Company Limited.



Product: KCC continued to offer a variety of products for every lifestyle. The company has tailored its products' benefits and promotions to ensure they are well-suited to the market environment in the COVID-19 pandemic of 2020, such as revising cardholder benefits from traveling and mobility categories to daily consumption and online categories. Moreover, KCC also offered alternative options for rewards for accumulative spending, allowing customers to redeem for domestic five-star hotel accommodations instead of airline tickets. In addition, KCC enhanced servicing capability in many digital channels such as an advanced payment system at HomePro stores to offer our customers more service options and a better experience, i.e. QR Credit Card Payment Service at HomePro, in which customers can scan QR code via the UCHOOSE application instead of using their physical card to make payment with HomePro Visa Platinum Credit Card, while still enjoying a 3 percent discount. Moreover, KCC held many marketing programs to promote card usage with a focus on online category of all aspects including not only e-commerce but also QR payment and e-wallet that have been growing significantly in alignment with the current market environment and changing customer behavior. In addition, KCC continued to develop API to seamlessly connect to point redemption partners, helping to further enhance the customer experience.

Source of funds: The Bank and debentures

AYUDHYA CAPITAL SERVICES COMPANY LIMITED

Types of service: Sales finance, personal loan, credit card, and nanofinance

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

Source of funds: The Bank

GENERAL CARD SERVICES LIMITED

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

Type of service: Launched in 2017, Central The 1 Credit Card is the first and only co-branded lifestyle credit card that allows cardholders to collect more points at a faster rate to enjoy more benefits. For example, cardholders will receive up to a 10-percent discount on a single purchase made at any of the more than 5,000 famous brand outlets represented by Central Group under The 1 Card Loyalty Platform. Consumers can also enjoy other benefits offered by non-Central Group companies that enhance everyday life through the use of Krungsri Consumer's credit cards.

Products: Central The 1 Credit Card is positioned as a lifestyle credit card. Its uniqueness lies in the simple design and premium quality materials with a metallic effect, which has never been used before in Thailand. The card comes in four sub-brands, each with different benefits that best address different groups of target consumers. In addition, contactless card payment, the latest payment technology from Master Card, has been introduced as part of the Central The 1 Credit Card. Cardholders' shopping experience has been upgraded as cardholders can now simply place their cards over the payment terminal and go. This provides shoppers more convenience, as well as faster and more secure transactions through the contactless payment method.

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

Source of funds: The Bank

TESCO LOTUS MONEY SERVICES LTD.

Type of service: Tesco Lotus Money Services is a 50:50 joint venture between Krungsri Group and Tesco Lotus, Thailand's largest hypermarket chain. Established in 2001 and launched with the Tesco Lotus Private Label Credit Card, which was later enhanced to become the Tesco Lotus Visa Credit Card, the company grew further and established two wholly-owned insurance brokerage subsidiaries for general and life insurance. Previously known as Tesco Card Services, it changed its name to Tesco Lotus Money Services Ltd. in 2019. Tesco Lotus Money Services continues to expand its distribution network through Tesco Lotus stores, with over 200 in-store financial services and insurance counters, and more than 850 dedicated sales staff offering Tesco shoppers simple and convenient financial services, focusing on 'ease, value, and trust'.

The Tesco Visa Credit Card aims to become the top-of-mind choice for Tesco Lotus customers by rewarding their loyalty with great everyday benefits. Cardholders can also enjoy interest-free payment options on their Tesco shopping and Tesco Insurance products.

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

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

TESCO GENERAL INSURANCE BROKER LIMITED

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

Based on their key principles of 'ease, value, and trust', these products aim to make insurance more accessible, inclusive, and affordable. To help introduce customers to the concept of insurance, premiums start as low as 299 baht per year for simple personal accident protection.

Source of funds: Shareholders (Tesco Lotus Money Services Ltd.)

TESCO LIFE ASSURANCE BROKER LIMITED

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

Source of funds: Shareholders (Tesco Lotus Money Services Ltd.)

KRUNGSRI GENERAL INSURANCE BROKER LIMITED

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

The company has grown its product range and continues to introduce customers to a wide range of non-life products such as hospitalization income plans, personal accident, and other selected general insurance products.

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

KRUNGSRI LIFE ASSURANCE BROKER LIMITED

Type of service: Established as a life insurance broker in 2007, the company changed its name from Quality Life Assurance Broker to Krungsri Life Assurance Broker in 2011.

The company's main business is to introduce life, personal accident, health, and payment-protection insurance, as well as personal loan, to customers of General Card Services Limited, Krungsriayudhya Card Company Limited, and Ayudhya Capital Services Company Limited.

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

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

TOTAL SERVICES SOLUTIONS PUBLIC COMPANY LIMITED

Type of service: The company provides debt-collection services as well as litigation for unsecured products covering personal loans, credit cards, and sales financing. Major customers are the Bank and companies in Krungsri Group, including Ayudhya Capital Services Company Limited, General Card Services Limited, Krungsriayudhya Card Company Limited, and Tesco Lotus Money Services Limited.

Strategies for business growth: The company has planned to remake itself as a collection consultant while retaining its responsibility for ensuring that customers are enabled to make payment under their terms and conditions and return their account status to normal. We also provide debt counseling services focused on building better customer experiences, including overdue and bad debt management by analyzing customers' ability or intention to pay off debt, designing programs to help them fix their debt burden in a way that aligns with their payment ability. During the COVID-19 pandemic, the company promptly adjusted its strategy, proceeding to closely align with the Bank of Thailand's announcement regarding debt relief for customers to accommodate the circumstances of the pandemic, focusing on responding to customers' urgent needs and participating in the Bank of Thailand's Debt Clinic Program to help plan solutions for customers' debt problems. Such adaptability to a rapidly changing situation in the role of collection consultant is a mark of our resilient transformation and serves as a new paradigm for our sustainable growth as one of Thailand's top debt collection service firms.

Customer services: In terms of improving customer experience, customer centricity is used as the conceptual model and disseminated to all employees based on customer analysis, or understanding of customers' behavior that requires more facilities, faster response, and straightforward services, including provision of a new, superior customer experience model. At the same time, the company has developed an AI-based system that learns and understands customer problems to meet their needs by running the 'AI Outbound Call' pilot project, and made use of the UCHOOSE mobile application for our debt collection services, increasing contact channels and providing information about debt relief and debt restructuring programs through this self-service application, including an easier approach for other debt repayment services at present and in the near future.

Source of funds: The Bank

KRUNGSRI LEASING SERVICES COMPANY LIMITED (LAO PDR)

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

Currently, the company provides Lao PDR's fullest line of products within the leasing industry, offering automotive loans for both new and used vehicles to retail and fleet customers covering passenger cars, pickups, SUVs and trucks of less than 4 tons capacity, vehicle refinancing loan (Car4Cash), and new motorcycle financing. Also, the company offers home furnishings and electrical appliances, mobile phones, computers, and gold, through sales financing product (Krungsri First Choice) to fulfill the needs of customers through strategic partners.

The latest product, launched in June 2020, was personal loan through its new subsidiary, Krungsri Non-Deposit Taking Microfinance Institution Company Limited, aimed at fostering financial inclusion among the citizens of Lao PDR.

As a benefit of market coverage expansion and product initiatives, the company can manage proper weighting of investments to focus on products and areas that return better yields. A strategic business plan has been implemented to leverage its strengths into a medium-term business plan.

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

Moreover, the company has continuously improved its services by developing its internal systems, information technology systems, and services infrastructure, in order to simplify processes and speed up approval times through greater efficiency.

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

With a 'One Team, One Goal' management philosophy, the company is focusing on human resources by implementing a talent management program to recruit new high-potential candidates, as well as cultivating Krungsri's Core Values among all levels of employees.

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

Market and competition: Due to the global impact of the COVID-19 pandemic, the economy of Lao PDR was inevitably affected as well. However, the government of Lao PDR has provided several measures and policies to control the spread of the virus, and the economy has steadily recovered since the ending of the national lockdown in May 2020.



With COVID-19, Lao PDR GDP* growth is forecast at 2.5 percent in 2020 from 5 percent in 2019, which is still higher than some other Southeast Asian countries. Moreover, if the COVID-19 situation remains under control and vaccines are widely introduced, the economy is expected to recover rapidly, driven by the tourism industry. Another key factor is that the completion of China's railway projects will increase income per capita in line with economic expansion, and further boost domestic demand.

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

Source of funds: The Bank

*Source: Asian Development Bank

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

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

Source of funds: The Bank

NGERN TID LOR PUBLIC COMPANY LIMITED

Type of service: Krungsri acquired a controlling stake (99.9 percent) in a company which was later renamed Ngern Tid Lor Company Limited from AIG Consumer Finance Group Inc. (AIG CFG) in September 2009. It provides sales and lease-back via hire purchase and secured loan contracts to customers who already hold titles to cars and other vehicles. In 2014, the company launched non-life insurance brokerage services and other new product lines.

In October 2018, Krungsri entered into a collaborative partnership with Siam Asia Credit Access PTE LTD to sell 50 percent of ordinary shares in Ngern Tid Lor Company Limited; this will not only bolster business growth and opportunities for Ngern Tid Lor Company Limited, but will also further strengthen the company's competitive capabilities to stay at the forefront of the title loan industry. The transaction was completed in February 2019.

Ngern Tid Lor Company Limited changed the status to Ngern Tid Lor Public Company Limited on December 17, 2020.

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

KRUNGSRI SECURITIES

KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED

Type of services: Securities brokerage which can be categorized as follows:

Securities brokerage: The company is the 29th brokerage member of the Stock Exchange of Thailand, providing brokerage service for equity (stock) and derivatives trading to retail investors, the general public, and local and international institutional investors. The company's experienced marketing and research teams offer investment advice and recommendations to investors.

Investment banking: The company provides financial advisory and underwriting services for all types of financial transactions, including arranging and underwriting equity and debt securities offerings, financial restructuring, debt restructuring, business rehabilitation, merger and acquisition, feasibility study, corporate valuation assessment, and other transactions in accordance with rules and regulations stipulated by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

Wealth management: The company provides asset allocation and wealth advisory services for short-, medium-, and long-term investment in both capital and fixed income markets. It emphasizes creating the utmost customer satisfaction by providing opportunities for returns together with professional services. The company also offers privileges to Wealth Management clients such as exclusive seminars, together with other benefits.

Private fund management: The company provides private fund management services. Each customer is served by a dedicated fund manager who is in charge of investment planning and fund administration in accordance with the customer's objectives.

Unit trust brokerage: The company acts as a broker for asset management companies in Thailand, selling financial products of asset management companies to investors.

Investment: It is the company's policy to invest in short-, medium-, and long-term instruments in both the capital and fixed income markets.

Source of funds: The Bank

KRUNGSRI ASSET MANAGEMENT

KRUNGSRI ASSET MANAGEMENT COMPANY LIMITED

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

Source of funds: The company

KRUNGSRI FINNOVATE

KRUNGSRI FINNOVATE COMPANY LIMITED

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

Source of funds: The Bank

KRUNGSRI SERVICES

SIAM REALTY AND SERVICES SECURITY COMPANY LIMITED

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

Market and competition: Krungsri Services has no competitor in the market as the company only provides support services to the Bank, its sole shareholder. The company has also expanded its car rental service to the Bank's subsidiaries and has provided training on operating procedures for both service types in order to ensure service excellence for our customers. The company has also been certified as a member of Thailand 's Private Sector Collective Action Coalition Against Corruption (CAC).

Source of funds: The Bank

HATTHA BANK PLC. (HATTHA BANK)

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

Hattha Kaksekar Limited has transformed itself to Hattha Bank Plc. (Hattha Bank) which was officially approved by the National Bank of Cambodia and the Ministry of Commerce on August 26, 2020.

Services: Hattha Bank is a leading bank in Cambodia,

licensed by the National Bank of Cambodia. Having been operating for more than 25 years with the Microfinance Deposit Taking Institution (MDI) status in the market, with its rapid success, Hattha Bank has transformed its status from MDI to a commercial bank in 2020, and continued providing diversified financial services to individuals and SME businesses; and jump into retail consumer financial market and corporate customer in urbanities through its 177 branches. As of December 2020, Hattha Bank's total deposits were USD 793 million with 233,473 depositors, while Hattha Bank's total loans were USD 1,323 million with 165,130 borrowers.

Source of funds: The company

HATTHA SERVICES CO., LTD.

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

Source of Funds: The company and loan from local bank

SB FINANCE COMPANY, INC. (SBF)

Type of service: SBF is a financing company registered with the Securities and Exchange Commission of Philippines. The company is engaged in the business of financing and leasing by extending credit facilities to consumers in the mass market segments in response to the government's call for financial inclusion.

Market and competition: SBF is a significant player in the competitive landscape of consumer finance companies in Philippines across a variety of metrics: fifth largest In total assets among consumer finance companies in Philippines, with total assets of PHP 7,328 million, third largest In capital, with total equity of PHP 1,488 million; and fourth largest In gross loans, with gross loan portfolio of PHP 7,599 million.

Source of Funds: The company and loan from local bank



INVESTMENT OF BANK OF AYUDHYA PCL IN OTHER COMPANIES

The Bank owned 10 percent or more of the issued shares of the following companies.

Name	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Shares	
1. Hattha Bank Plc. [1]	Commercial Bank	Ordinary	115,000,000	100.00
2. Krungsri Ayudhya AMC Ltd.	Asset management	Ordinary	270,000,003	100.00
3. Krungsri Nimble Co., Ltd.	Factoring and Information Technology Services	Ordinary	30,000,000	100.00
4. Ayudhya Development Leasing Co., Ltd.	Finance (Leasing & Hire-Purchase)	Ordinary	123,499,999	99.99
5. Ayudhya Capital Auto Lease PCL.	Finance (Auto Financing)	Ordinary	2,554,500,000	100.00
6. Ayudhya Capital Services Co., Ltd.	Finance (Credit Card & Personal Loan)	Ordinary	59,250,000	100.00
7. General Card Services Limited	Finance (Credit Card & Personal Loan)	Ordinary	245,800,000	100.00
8. Krungsriayudhya Card Co., Ltd.	Finance (Credit Card & Personal Loan)	Ordinary	590,552,000	100.00
9. Krungsri Life Assurance Broker Limited	Finance (Life Insurance Broker)	Ordinary	920,000	100.00
10. Krungsri General Insurance Broker Limited	Finance (Non-life Insurance Broker)	Ordinary	920,000	100.00
11. Total Services Solutions PCL.	Service (Collection)	Ordinary	160,599,822	100.00
12. Siam Realty and Services Security Co., Ltd.	Service	Ordinary	1,000,000	100.00
13. Krungsri Finnovate Co., Ltd.	Finance (Venture Capital)	Ordinary	150,000,000	100.00
14. Krungsri Securities PCL.	Securities	Ordinary	135,000,000	99.84
15. Krungsri Asset Management Co., Ltd.	Asset Management	Ordinary	3,500,000	76.59
16. Krungsri Leasing Services Co., Ltd.	Finance (Leasing/Hire purchase/ Sales Finance)	Ordinary	10,175,111	100.00
17. Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd.	Microfinance	Ordinary	360,000	99.99
18. Ngern Tid Lor Public Company Limited [2]	Finance (Auto Financing)	Ordinary	2,108,167,870	50.00
19. Tesco Lotus Money Services Limited [3]	Finance (Credit Card & Personal Loan)	Ordinary	20,800,000	50.00
20. Tesco Life Assurance Broker Limited [4]	Finance (Life Insurance Broker)	Ordinary	120,000	50.00
21. Tesco General Insurance Broker Limited [5]	Finance (Non-life Insurance Broker)	Ordinary	1,070,000	50.00
22. Hattha Services Co., Ltd.	Lease Real Estate	Ordinary	1,000	49.00
23. SB Finance Company, Inc.	Comsumer Finance	Ordinary	14,150,000	50.00

COMPANIES THAT THE BANK HOLDS SHARES OF 10% BUT LESS THAN 20% OF ITS PAID-UP CAPITAL

Name	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Shares	
1. P.P. Parawood Co., Ltd.	Furniture Manufacturer	Ordinary	95,000	10.00
2. Rent Trade and Service Co., Ltd.	Import and Distributors (Construction machinery, trucks etc.)	Ordinary	1,500,000	10.00
3. Baania (Thailand) Co., Ltd. (6)	Big Data for Retail Estate	Ordinary	24,232	14.99
		Preferred	26,930	
4. Finnomena Co., Ltd. (7)	Robo Advisor	Ordinary	479,518	12.44
		Preferred	383,293	
5. Choco Card Enterprise Co., Ltd. (8)	POS & CRM Platform	Ordinary	54,968	11.50
		Preferred	6,764	

COMPANIES ACQUIRED THROUGH THE DEBT RESTRUCTURING PROCESS

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

Remark : (1) Formerly Hattha Kaksekar Limited.
(2) Formerly Ngern Tid Lor Co., Ltd.
(3) New company name, Lotus's Money Services Limited, effective on March 1, 2021 onwards.
(4) New company name, Lotus's Life Assurance Broker Limited, effective on March 1, 2021 onwards.
(5) New company name, Lotus's General Insurance Broker Limited, effective on March 1, 2021 onwards.
(6) Indirectly holding via Krungsri Finnovate Co., Ltd. of 14.99%
(7) Indirectly holding via Krungsri Finnovate Co., Ltd. of 12.44%
(8) Indirectly holding via Krungsri Finnovate Co., Ltd. of 11.50%

INCOME STRUCTURE OF THE BANK, SUBSIDIARIES AND JOINT VENTURES

For 2020 operating performance, the Bank, subsidiaries and joint ventures had interest income and non-interest income at a ratio of 73.02 percent and 26.98 percent, respectively. Interest on loans constituted the largest propotion representing 46.73 percent of total income. Details are as follows:

Income Structure	2020		2019		2018	
	Million baht	%	Million baht	%	Million baht	%
Interest Income						
Interest on loans	69,158	46.73	72,244	44.18	69,337	46.49
Interest on interbank and money market items	2,720	1.84	4,681	2.86	6,213	4.17
Hire purchase and financial lease income	34,526	23.33	31,073	19.00	29,727	19.93
Investments and trading transactions	61	0.04	91	0.06	28	0.02
Investments in debts securities	1,561	1.06	2,279	1.39	1,827	1.23
Other	36	0.02	87	0.06	-	-
Total Interest Income	**108,062**	**73.02**	**110,455**	**67.55**	**107,132**	**71.84**
Non-Interest Income						
Fees and service income	24,812	16.77	29,652	18.13	28,999	19.44
Gains on financial instruments measured at fair value through profit or loss	4,112	2.78	-	-	-	-
Gains on trading and FX transactions	-	-	4,350	2.66	4,736	3.18
Gains on investments	109	0.07	9,232	5.65	374	0.25
Share of profit from investment for using equity method	1,523	1.03	1,409	0.86	391	0.26
Dividend income	273	0.18	211	0.13	202	0.14
Bad debts recoveries	6,753	4.56	6,484	3.97	5,995	4.02
Other income	2,349	1.59	1,723	1.05	1,305	0.87
Total Non - Interest Income	**39,931**	**26.98**	**53,061**	**32.45**	**42,002**	**28.16**
Total Income	**147,993**	**100.00**	**163,516**	**100.00**	**149,134**	**100.00**

Income Structure	2020		2019		2018	
	Million baht	%	Million baht	%	Million baht	%
1. Bank of Ayudhya Plc. [1/]						
Total Interest Income	76,275	77.12	80,945	70.45	74,597	71.53
Total Non-Interest Income	22,628	22.88	33,952	29.55	29,689	28.47
Total	98,903	100.00	114,897	100.00	104,286	100.00
2. Krungsri Ayudhya AMC Ltd.						
Total Interest Income	103	32.19	67	24.91	65	18.26
Total Non-Interest Income	217	67.81	202	75.09	291	81.74
Total	320	100.00	269	100.00	356	100.00
3. Ayudhya Development Leasing Co., Ltd.						
Total Interest Income	293	84.68	347	62.52	344	69.49
Total Non-Interest Income	53	15.32	208	37.48	151	30.51
Total	346	100.00	555	100.00	495	100.00
4. Krungsri Nimble Co., Ltd.						
Total Interest Income	-	-	-	-	1	100.00
Total Non-Interest Income	157	100.00	28	100.00	-	-
Total	157	100.00	28	100.00	1	100.00
5. Ayudhya Capital Auto Lease Plc.						
Total Interest Income	6,293	55.54	6,246	55.12	6,878	66.60
Total Non-Interest Income	5,037	44.46	5,086	44.88	3,449	33.40
Total	11,330	100.00	11,332	100.00	10,327	100.00
6. Ayudhya Capital Services Co., Ltd.						
Total Interest Income	13,140	69.96	12,045	62.76	11,077	60.43
Total Non-Interest Income	5,642	30.04	7,148	37.24	7,254	39.57
Total	18,782	100.00	19,193	100.00	18,331	100.00
7. General Card Services Ltd.						
Total Interest Income	2,335	59.25	1,905	49.96	1,594	49.61
Total Non-Interest Income	1,606	40.75	1,908	50.04	1,619	50.39
Total	3,941	100.00	3,813	100.00	3,213	100.00
8. Krungsriayudhya Card Co., Ltd.						
Total Interest Income	5,219	59.15	4,600	49.20	4,356	49.32
Total Non-Interest Income	3,604	40.85	4,749	50.80	4,477	50.68
Total	8,823	100.00	9,349	100.00	8,833	100.00
9. Krungsri Securities Plc.						
Total Interest Income	41	6.20	60	10.15	70	10.57
Total Non-Interest Income	620	93.80	531	89.85	592	89.43
Total	661	100.00	591	100.00	662	100.00
10. Siam Realty and Services Security Co., Ltd.						
Total Interest Income	-	-	-	-	-	-
Total Non-Interest Income	616	100.00	659	100.00	625	100.00
Total	616	100.00	659	100.00	625	100.00

Income Structure		2020		2019		2018	
		Million baht	%	Million baht	%	Million baht	%
11.	**Krungsri Asset Management Co., Ltd.**						
	Total Interest Income	(90)	(2.33)	78	1.91	65	1.55
	Total Non-Interest Income	3,947	102.33	4,012	98.09	4,116	98.45
	Total	3,857	100.00	4,090	100.00	4,181	100.00
12.	**Total Services Solutions Plc.**						
	Total Interest Income	11	1.09	22	1.84	21	1.76
	Total Non-Interest Income	998	98.91	1,174	98.16	1,171	98.24
	Total	1,009	100.00	1,196	100.00	1,192	100.00
13.	**Ngern Tid Lor Plc.** [2/] **(formerly Ngern Tid Lor Co., Ltd.)**						
	Total Interest Income	8,749	80.15	7,636	78.61	6,377	80.94
	Total Non-Interest Income	2,167	19.85	2,078	21.39	1,502	19.06
	Total	10,916	100.00	9,714	100.00	7,879	100.00
14.	**Krungsri General Insurance Broker Ltd.** [3/]						
	Total Interest Income	1	0.21	5	1.04	5	1.08
	Total Non-Interest Income	470	99.79	478	98.96	458	98.92
	Total	471	100.00	483	100.00	463	100.00
15.	**Krungsri Life Assurance Broker Ltd.** [3/]						
	Total Interest Income	2	0.51	4	1.06	4	1.12
	Total Non-Interest Income	393	99.49	372	98.94	352	98.88
	Total	395	100.00	376	100.00	356	100.00
16.	**Tesco Lotus Money Services Ltd.** [4/]						
	Total Interest Income	2,476	56.50	2,226	49.99	2,037	49.85
	Total Non-Interest Income	1,906	43.50	2,227	50.01	2,049	50.15
	Total	4,382	100.00	4,453	100.00	4,086	100.00
17.	**Tesco General Insurance Broker Ltd.** [5/]						
	Total Interest Income	3	0.51	4	0.70	4	0.63
	Total Non-Interest Income	587	99.49	564	99.30	632	99.37
	Total	590	100.00	568	100.00	636	100.00
18.	**Tesco Life Assurance Broker Ltd.** [5/]						
	Total Interest Income	1	1.82	1	2.22	1	2.86
	Total Non-Interest Income	54	98.18	44	97.78	34	97.14
	Total	55	100.00	45	100.00	35	100.00
19.	**Krungsri Leasing Services Co., Ltd.** [6/]						
	Total Interest Income	673	135.69	771	100.39	752	95.92
	Total Non-Interest Income	(177)	(35.69)	(3)	(0.39)	32	4.08
	Total	496	100.00	768	100.00	784	100.00

Income Structure	2020		2019		2018	
	Million baht	%	Million baht	%	Million baht	%
20. Hattha Bank Plc. [7/] (formerly Hattha Kaksekar Limited)						
Total Interest Income	5,194	96.38	4,451	95.89	3,652	96.59
Total Non-Interest Income	195	3.62	191	4.11	129	3.41
Total	5,389	100.00	4,642	100.00	3,781	100.00
21. Krungsri Finnovate Co., Ltd. [8/]						
Total Interest Income	1	-	-	-	-	-
Total Non-Interest Income	(1)	-	1	100.00	-	-
Total	-	-	1	100.00	-	-
22. Hattha Services Co., Ltd. [9/]						
Total Interest Income	-	-	-	-	-	-
Total Non-Interest Income	-	-	-	-	-	-
Total	-	-	-	-	-	-
23. Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd. [10/]						
Total Interest Income	4	100.00	-	-	-	-
Total Non-Interest Income	-	-	-	-	-	-
Total	4	100.00	-	-	-	-
24. SB Finance Company, Inc. [11/]						
Total Interest Income	175	97.77	-	-	-	-
Total Non-Interest Income	4	2.23	-	-	-	-
Total	179	100.00	-	-	-	-

Remarks: Year 2020 data are unaudited financial statement

1/ The Bank's statement of profit or loss and other comprehensive income of Bank of Ayudhya Public Company Limited.

2/ On February 28, 2019, the Bank sold 50 percent of investment in Ngern Tid Lor Co., Ltd. ("NTL"), reducing its ownership interest to 50 percent. As a result, investment in NTL is classified as investment in joint ventures. On December 17, 2020, NTL had converted the Company to public limited company, having name Ngern Tid Lor Plc.

3/ Indirectly holding via Ayudhya Capital Services Co., Ltd. of 100 percent.

4/ Indirectly holding via Ayudhya Capital Services Co., Ltd. of 50 percent.

5/ Subsidiary of Tesco Lotus Money Services Limited.

6/ Indirectly holding via Ayudhya Capital Auto Lease Public Company Limited of 75 percent and Ayudhya Capital Services Company Limited of 25 percent.

7/ Hattha Kaksekar Limited has already obtained the approval from relevant regulators both in Thailand and Cambodia to expand its business to be a commercial bank and it had changed its operation to be banking business and its name to be Hattha Bank Plc. since August 26, 2020.

8/ The financial information is immaterial.

9/ On November 1, 2019, the Bank held indirectly ordinary shares of Hattha Services Co., Ltd. via Hattha Bank Plc. of 49 percent. However, the Bank has the power to participate in management and control over Hattha Services Co., Ltd. Accordingly, the voting power held by the Bank is 100 percent and the financial information is immaterial.

10/ Indirectly holding via Krungsri Leasing Services Co., Ltd. of 99.99 percent. The subsidiary invested on April 20, 2020.

11/ The Bank invested of 50 percent on October 20, 2020.

3
RISK FACTORS AND RISK MANAGEMENT



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

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

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

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

RISK MANAGEMENT STRUCTURE

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

> **THE RISK MANAGEMENT GROUP HAS CONTINUOUSLY DEVELOPED AND ADAPTED MUFG POLICIES AND PROCEDURES TO IMPROVE OUR CAPABILITIES IN IDENTIFYING, ASSESSING, MITIGATING, AND MONITORING RISKS WITHIN AN ACCEPTABLE RISK APPETITE.**

BOARD OF DIRECTORS

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

CREDIT COMMITTEE

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

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

RISK MANAGEMENT COMMITTEE

Primary responsibilities:

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

CREDIT PORTFOLIO SUBCOMMITTEE

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

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

NPL/NPA/TDR SUBCOMMITTEE

Primary responsibilities:

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

COLLATERAL VALUATION SUBCOMMITTEE

Primary responsibilities:

- Establishing and reviewing policies and procedures for collateral valuation for loan or credit extension and valuation of foreclosed assets obtained from debt payment or auction in accordance with asset revaluation regulations;
- Selecting and approving contracts made with independent appraisers;
- Overseeing and offering guidance to in-house appraisers to ensure that they act with integrity and accuracy in compliance with Krungsri's and the Bank of Thailand's procedures; and
- Reviewing and approving the results of appraisals carried out by both in-house and external appraisers.

CAPITAL MANAGEMENT SUBCOMMITTEE

Primary responsibilities:

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

KEY RISK FACTORS AND OUR MANAGEMENT

ENTERPRISE-WIDE RISK MANAGEMENT

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

ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK (ERM)

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

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

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

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

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

THE INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS (ICAAP) INTEGRATION

In response to ICAAP regulatory requirements, we have integrated this process with our ERM framework, under which material risks can be dynamically identified considering the external and internal environment, our business plan, and the complexity of the Bank's businesses. Risk appetite is established and managed to ensure that our capital position is within

acceptable limits and meets regulatory requirements under normal and stressed conditions. Stress tests are conducted regularly and are overseen by the Capital Management Subcommittee, through which timely and effective action plans can be deployed.

ORGANIZATION AND STRUCTURE

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

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

MATERIAL RISKS

Under the Enterprise-wide Risk Management Framework, the Bank has identified important risks—both mandatory regulatory risks and material risks arising from internal and external factors. We have established risk monitoring and control processes to ensure that such risks are effectively managed within acceptable limits, with the following important risks identified for 2020:

Risk Category	Risk Type
Pillar I	Credit Risk Market Risk Operational Risk
Pillar II	Credit Concentration Risk Interest Rate Risk in Banking Book Liquidity Risk Reputation Risk Strategic Risk
Other Material Risks	Fraud Risk IT Risk Compliance Risk Capital Adequacy Risk

CREDIT RISK MANAGEMENT

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

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

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

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

CREDIT RISK CONTROL

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

COMMERCIAL CREDIT RISK

The Commercial Credit Risk Management Division manages borrower credit risk through our internal credit risk rating framework that is enhanced continuously to meet MUFG's high standards. We currently categorize business customers into two main groups based on their characteristics and size: Thai



Global (large Thai companies with global trading transactions) and JPC/MNC as one group, and Thai Corporate and SME as the other. With such categorization, we can measure the probability of default (PD), loss given default (LGD), and exposure at default (EAD) more accurately and can better address the unique characteristics of customers of various sizes. The Bank assesses the credit quality of its Thai Global and JPC/MNC customers and assigns risk ratings based on an MUFG credit rating model, while using our own internally developed model for Thai Corporate and SME.

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

The Bank has collaborated with MUFG on enhancing its internal credit rating framework to include additional qualitative customer factors; for example, support from parent companies is incorporated into risk adjustment procedures. Special types of customers are handled with special risk model forms. These special customers include government organizations, religious institutions, academic institutions, special-purpose companies (SPCs), and project finance.

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

CONSUMER CREDIT RISK MANAGEMENT

Consumer portfolios are managed at the portfolio or homogeneous-pool level. The Consumer Credit Risk Management Division establishes product program criteria and proposals for approval by the Bank's Board of Directors or delegated authorities such as the Risk and Compliance Committee and the Risk Management Committee. For effective risk control and consistency in credit decisions, the Bank leverages risk technology and digitalization in the credit decision process. Credit applications are processed in a Loan Origination System (LOS), whereby credit approval decisions and line assignments are based mainly on online credit bureau report retrieval and an automated credit criteria algorithm, in accordance with approved credit criteria. Verification of credit application data and final credit decisions are conducted by credit underwriters. Where applicable, line enhancement is based on behavior score and risk grade. Past-due management is centralized and is performed by a separate unit.

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

As part of digital transformation, the Bank has explored and pilot-tested alternative lending using an information-based approach.

The Bank has also developed models to comply with the Bank of Thailand's regulations and international standards. In 2020, the Expected Credit Loss model for new International Financial Reporting Standards (IFRS 9) compliance was implemented. The Basel Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) models have helped us to further strengthen our portfolio management and are a major step toward complying with the Advanced Internal Ratings-Based Approach (AIRB).

COUNTRY RISK MANAGEMENT

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

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

CREDIT CONCENTRATION RISK

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

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

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

COUNTERPARTY CREDIT RISK

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

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

> LOAN LOSS PROVISIONS ARE CALCULATED BASED ON IFRS 9 AND TFRS 9 ACCOUNTING STANDARDS AND THE REQUIREMENTS OF THE BANK OF THAILAND. RESERVES ARE CALCULATED BY THE RISK MANAGEMENT GROUP, WHILE THE ADEQUACY OF RESERVES IS REVIEWED AND APPROVED BY THE CHIEF RISK OFFICER AND THE CHIEF FINANCIAL OFFICER.

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

CREDIT RISK MANAGEMENT AND REVIEW

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

RESERVE ADEQUACY

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

CREDIT RISK AUDIT

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

CREDIT INFORMATION MONITORING AND MANAGEMENT

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

STRESS TESTING

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

SUBSIDIARY MANAGEMENT

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

NON-PERFORMING LOAN MANAGEMENT

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

MARKET RISK MANAGEMENT

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

MARKET RISK MANAGEMENT FRAMEWORK

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

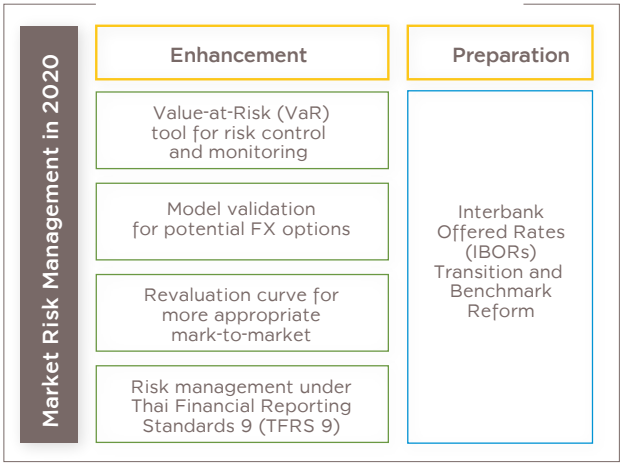
Market risk management is overseen by the Risk Management Committee (RMC) and the Asset and Liability Management Committee (ALCO). The Market Risk Management Division provides strategic risk management options and reports risk exposure to the committee, while the Global Markets Group executes transactions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

MARKET RISK IN TRADING BOOK

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

- **Enhancement of Market Risk Management Tools and Preparation in 2020**

  The Bank continues to enhance market risk measurement in response to internal management, the recent market volatility caused by the COVID-19 pandemic, and new regulations through measures including the development or modification of risk measurement tools for potential new products, and preparation for future implementation. In addition, as a MUFG strategic partner, the Bank is always fully supported by MUFG in terms of know-how and techniques regarding global risk management standards that help strengthen the Bank's market risk management framework.



- **2020 Trading Book Transaction Risks**

  In spite of the business disruption caused by the pandemic, the Bank attempted to deliver suitable FX products consisting of new currency transactions, SME FX options, and interest rate derivatives to support our customers. By taking into account the market uncertainty, the Bank prudently and closely managed market risk exposure to be within acceptable risk levels as well as responding in a timely manner to the ever-changing business environment.

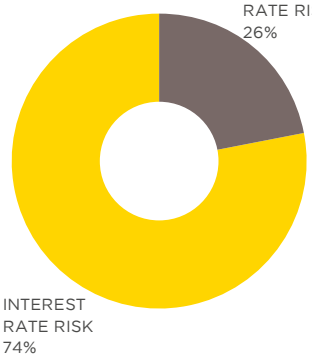
  Value-at-Risk (VaR) and backtesting have been adopted to assess risks and validate model reliability. In addition, the Bank actively alerted relevant parties through flash reports when significant events occurred, and conducted stress testing to assess risk under crisis situations. The Bank's aggregate market risk in 2020 was well within acceptable levels. The VaR for a 10-day holding period at a 99-percent confidence level of the trading book averaged 152.41 million baht.



- **Market Risk Capital Requirement**

KRUNGSRI GROUP: MINIMUM MARKET RISK CAPITAL REQUIREMENT
(AS OF DECEMBER 31, 2020)

The Bank assesses and maintains the Bank's and Financial Business Group's capital charges for market risk in compliance with the BOT notification on guidelines for financial institutions' market risk supervision.



The standardized interest rate shock under six scenarios	Conduct BVE simulations under a set of interest rate shock scenarios to ensure that the IRRBB impact is well-managed and above the internal trigger level and policy limit.
Common products with behavioral options	Study customer behavior in response to interest rate changes in non-maturity deposits (NMDs), term deposits, fixed-rate loans, and etc.
Capital adequacy for IRRBB	Enhancement of processes and models for stress testing under Banking Value-at-Risk calculation to meet Internal Capital Adequacy Assessment Process (ICAAP) framework.

MARKET RISK IN BANKING BOOK

The banking book includes positions in financial instruments or other transactions not intended for trading, or financial instruments meant to be held for a long period or until reaching maturity. The Bank is exposed to interest rate risk in the banking book when mismatches between the interest rate structure of assets, liabilities, and off-balance sheet position adversely impact the Bank's earnings and capital.

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

- **Enhancement of Interest Rate Risk in Banking Book Management Tools in 2020**

  The Bank has prepared the following actions to meet the BOT's notifications: 1) No. SorNorSor. 42/2551 Re: Regulations on Interest Rate Risk in the Banking Book of Financial Institutions and 2) No. SorGorSor. 5/2552 Re: Supervisory Guideline on Capital Fund under Pillar 2 and its amendments.

- **2020 Banking Book Transaction Risks**
  Financial Business Group's interest rate risk assessment

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

NET INTEREST INCOME
(EARNINGS PERSPECTIVE)

(UNIT: MILLION BAHT)

Currency	As of December 31, 2020
THB	-786.52
USD	-555.91
Other Foreign Currencies	-400.99
Total Impact	-1,743.42
% of projected net interest income over the next 1 year	-2.21%

BOOK VALUE OF EQUITY
(ECONOMIC VALUE PERSPECTIVE)

(UNIT: MILLION BAHT)

Currency	As of December 31, 2020
THB	-8,637.36
USD	-429.80
Other Foreign Currencies	-34.38
Total Impact	-9,101.54
% of Total Capital Fund	-2.71%

- **Market Sentiment in 2020 and Market Risk Trend in 2021**

  The COVID-19 pandemic had a sudden and deep impact upon global economies. Also, GDPs of countries worldwide including Thailand have severely contracted, and may in some cases take a few years to return to pre-pandemic levels. The global community is currently pinning its hope on the deployment of COVID-19 vaccines and huge economic stimulus measures.

  In March 2020, the pandemic triggered volatility in Thai financial markets, including panic sales of corporate bonds due to credit and liquidity concerns. Hence, the BOT decided to set up the Corporate Bond Stabilization Fund (BSF) as a relief measure to handle developments such as the fall of the SET Index to 1,125.86 (as of March 31, 2020), or a 16 percent drop compared to a month earlier, and the baht's depreciation against USD to 32.67 baht (as of March 31, 2020) or a change of 3.32 percent compared to the month earlier. Thanks to the government's relief measures and Thailand's strong public health care, market sentiment has improved, but it is still being pressured by political concerns. At the end of 2020, the SET Index and USD/THB exchange rate stood at 1,449.35 and 30.04, respectively.

  In 2021, the Bank will closely monitor the development of strategies to combat the COVID-19 pandemic, together with the direction of global central bank policies towards further monetary easing through policy rate cuts and liquidity injections to help nurture positive economic conditions and accommodative fiscal policies, while accounting for domestic and international political risks. This will enable the Bank to properly devise proactive responses to market risks that may negatively impact Thailand's fragile economy



LIQUIDITY RISK MANAGEMENT

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

LIQUIDITY RISK MANAGEMENT FRAMEWORK

The liquidity risk policies and limits have been regularly reviewed and approved by the Board to ensure that they are commensurate with the scope, volume, and complexity of transactions, and support prudent business expansion.

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

The Bank realizes the importance of adequate measuring tools for the size and complexity of transactions both on- and off-balance sheet. The Liquidity Coverage Ratio (LCR) is applied to short-term liquidity management to ensure maintenance of adequate liquid assets, while the Net Stable Funding Ratio (NSFR) is applied to long-term liquidity management to ensure maintenance of stable funding. In addition to the LCR and NSFR, the Bank also has other internal management tools and indicators for funding liquidity risk management. The Bank also emphasizes and conducts proactive liquidity ratio management mainly by assessing projected liquidity ratios based on the most likely business growth scenarios or any event that could impact the liquidity of the Bank and Group, in order to ensure compliance with the Bank's risk appetite.

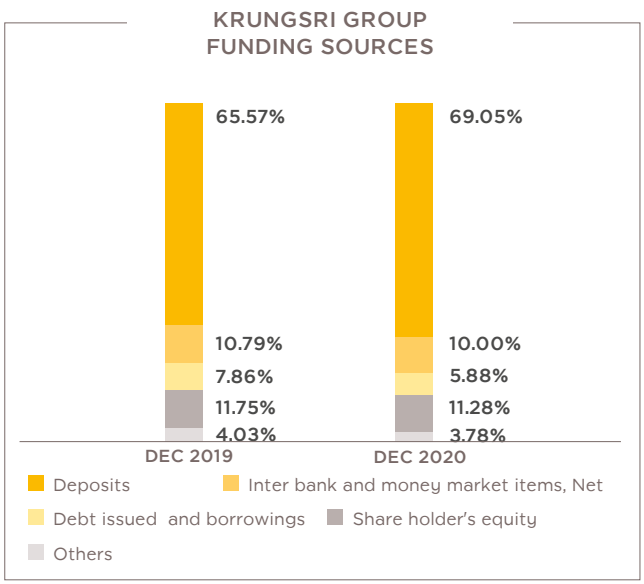
A manageable level of maturity mismatches of cash flows from assets and liabilities is then consistently maintained and regularly monitored with liquidity stress testing, together with sufficient liquidity reserves. The Bank also has a liquidity contingency plan that outlines the roles and responsibilities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

MAIN SOURCES OF FUNDING

The Bank analyses funding concentration to ensure that funding sources are well-diversified by customer type, deposit type, and maturity. To control risks from funding concentration, the Bank has set up a concentration trigger level which defines the maximum funding exposure for the Top 1 and Top 20 of customer groups. Early warning indicators have also been established to warn of any imminent liquidity crisis, as part of a preventive liquidity risk management system.

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

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

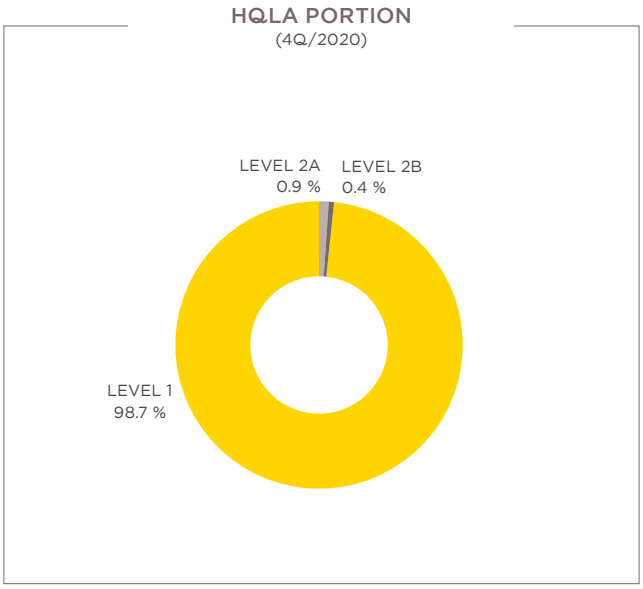


REGULATORY REQUIREMENTS ON LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO

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

LIQUIDITY COVERAGE RATIO MANAGEMENT

The average LCR as of the fourth quarter of 2020 was 148 percent, still well above the BOT's minimum requirement and the Bank's internal trigger level. The Bank has maintained an increased volume of high-quality liquid assets (HQLA) in the fourth quarter of 2020 by 63 percent compared to the fourth quarter of 2019, due mainly to an increase in Level 1 asset. Of this amount, 99 percent consisted of Level 1 assets including government bonds, BOT bonds, public sector entity (PSE) bonds guaranteed by the Ministry of Finance, and cash.



LIQUIDITY SITUATION IN 2020 AND LIQUIDITY RISK TREND IN 2021

During the COVID-19 pandemic, the Bank placed special emphasis upon the liquidity position. The Market Risk Management Division closely monitored the situation and submitted flash reports to alert senior management or relevant functions of any circumstance that could significantly impact the Bank's liquidity.

However, during the pandemic, deposit volume continuously increased due to customers' concerns over investment in risk assets. Additionally, with the relatively low volume of

new loans and the Bank of Thailand (BOT) relief measures to assist customers affected by the pandemic, the Bank had the excess liquidity to invest in high-quality liquid assets (HQLA) to ensure sufficient funds to support customers' withdrawal demand, funds required to boost their business liquidity, and future loan growth.

In 2021, Thailand's economic outlook is expected to face a number of risk factors as a result of the pandemic. The Bank will continue to closely monitor factors that could affect our liquidity risk, including:

- Capital inflow and outflow triggered by both internal and external factors
- Fierce competition among financial institutions in launching savings and investment products, which may affect overall liquidity in the commercial banking system
- Increasing loan demand which could put pressure on liquidity in the system
- Loan quality and cash flow after the expiration of pandemic relief measures

OPERATIONAL RISK MANAGEMENT

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

Key risk factors can arise from: misconduct by internal or external parties; flawed procedural design or internal controls; noncompliance with laws or regulations; system collapse or inadequate systems that may lead to data corruption; system errors; security breaches; and system failures. Risk factors also come from external events such as pandemics, political crises, flooding, and other environmental incidents that are uncontrollable.

Operational risks may occur in any part of the Bank's business and can result in financial or non-financial impacts including legal and regulatory breaches or reputational impacts. The Bank is committed to effectively managing and mitigating major operational risks with a proactive approach, as well as cultivating operational risk awareness throughout Krungsri Group.

PRINCIPLES

We place great emphasis on operational risk management with sufficient resources provided to control risk levels under our risk appetite, and to promote sound operational risk management governance and frameworks. Every employee is accountable for managing operational risk.

ORGANIZATION AND STRUCTURE

Operational risk is managed under Krungsri Group's operational risk management policies, approved by the Bank's Board of Directors. Krungsri policy stipulates the minimum requirements for a framework that is implemented



throughout the organizational structure along three lines of defense, to ensure independent oversight of operational risk management throughout Krungsri Group. All business units as primary operational risk owners and risk-takers have primary responsibility for day-to-day identification and management of operational risk inherent in their products, activities, procedures, and systems, in accordance with the Bank's policy.

The Risk Management Committee, assigned by the Executive Committee, is responsible for formulating strategies and confirming the adequacy of risk and control procedures. The Committee meets monthly to review and make recommendations on operational risk profiles. The Operational Risk Management Division, an independent function reporting to the Chief Risk Officer, is responsible for designing, maintaining, and continuously developing the operational risk framework and measurement system to ensure that operational risk is well-mitigated and properly managed. This division also monitors and reports significant risks and risk-related incidents to senior management and relevant committees. In addition, the Internal Audit function provides an independent check on the design, adequacy, and effectiveness of our internal controls.

OPERATIONAL RISK MANAGEMENT FRAMEWORK AND TOOLS

The Bank's information technology enhancement, as part of our endeavor to deliver digital banking products and services with innovative technology, could result in a greater diversity of operational risks, including information technology risks and cyber threats. We continuously strive to strengthen our risk management framework and tools covering information technology risks and cyber threats to brace for potential risks. When initiating new products, services, and systems, an assessment of operational and IT risk is performed to ensure that proper controls are in place.

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

Additionally, the Bank introduced the operational risk management system (ORMS), in order to improve operational risk management efficiency. Therefore, business functions that are risk owners can easily access operational risk management process, report operational risk incidents, as well as review and reassess the Risk and Control Self-Assessment (RCSA) Program. Furthermore, the initiative helped reduce manual operations, which are being replaced with an automated workflow. In 2020, the Bank implemented ORMS in the operational risk incident reporting process, RCSA approach, and key risk indicators reporting process. The Division will continue to apply ORMS in other operational risk tools.

The Risk and Control Self-Assessment (RCSA) Program is reviewed regularly based on historical loss data and changes in the business environment. We also conduct risk assessment on new products, processes, and technologies to ensure that all new products, new technologies or significant changes of existing processes and systems are subject to comprehensive risk evaluation and approved by related business units and management before launch.

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

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

The Bank has developed third-party risk management, which is under the information technology risk management framework and recognizes the importance of monitoring and managing the risks arising from the use of, connection with, and access to a third party database and service in accordance with the IT risk management framework. Risks are assessed in terms of risk level and significance, including those arising from the utilization of multiple IT services from the same service provider, in line with cyber security standards, while data confidentiality, integrity, and availability must also be upheld.

Krungsri Group recognizes the importance of business continuity management to ensure that if disruptions occur anywhere across Krungsri Group, key products and customer services can be provided or restored within a reasonable period. During the COVID-19 pandemic, the Bank regularly and closely monitored and assessed the impacts of the outbreak at the organizational, national, and global levels. During the outbreak's initial stages, Krungsri rolled out several measures

including hygienic and preventive measures or provision of equipment for employees during the work-from-home period. These efforts were to ensure that the Bank could still provide support and deliver services to customers and to mitigate related risks and impacts for our customers and employees.

A risk reporting process is in place within Krungsri Group, with all units and subsidiaries accountable for reporting their operational risks such as RCSA, KRI, and data loss to the Operational Risk Management Division for analysis.

Our operational risk profiles and performance reports are regularly prepared and delivered to the Risk Management Committee, the Risk and Compliance Committee, the Executive Committee, and the Board to detect early changes in key operational risks within Krungsri Group, and to drive decision-making processes.

CAPITAL REQUIREMENTS

We currently use the Standardized Approach (SA) to calculate operational risk capital within Krungsri Group. These capital requirements are detailed in the following table:

KRUNGSRI OPERATIONAL RISK MINIMUM CAPITAL REQUIREMENTS
(AS OF DECEMBER 31, 2020, AND DECEMBER 31, 2019)

(UNIT: MILLION BAHT)

Standardized Approach	31 Dec 2020	31 Dec 2019
Total Capital Charge for Operational Risk	10,702	10,167
Equivalent Risk-Weighted Assets for Operational Risk	133,773	127,091

INFORMATION TECHNOLOGY RISK MANAGEMENT

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

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

The information technology risk management is part of the Bank's operational risk management and also serves as part of information security management. The risk management approaches focus on confidentiality, integrity, and availability of systems and data—including the maintenance and protection of customer data to boost their confidence in the Bank's financial services.

To effectively manage information technology risk, the Bank has established the information technology risk management policy to cover the organizational structure, roles, and responsibility for the related parties according to the three lines of defense principle. The Bank has developed the appropriate information technology risk management framework to ensure that information technology risks, including the risks incurred from cyber threats, the use of third party services, and IT project management are identified, assessed, monitored, controlled, and reported. The information technology risk management framework is aligned with the Bank's operational risk management framework. In this regard, the process of IT risk management framework covers risk assessment, risk treatment, risk monitoring and review, and risk reporting.

The Bank conducts IT risk assessments of critical applications with the respective application owners. Such assessments aim to identify and assess the potential information technology risks, root causes, and impacts, including the existing controls and their effectiveness. The Bank has also developed an IT risk universe to determine the risk management scopes and gather all relevant IT risks.

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

4
CORPORATE GOVERNANCE



PRACTICE 1: TO BE AWARE OF THE BOARD OF DIRECTORS' ROLES AND RESPONSIBILITIES AS THE ORGANIZATION LEADER WHO CREATES SUSTAINABLE VALUE FOR THE ORGANIZATION

The Board of Directors undertakes the fiduciary duties of overseeing the management in alignment with applicable laws, the Bank's objectives and Articles of Association, the resolutions of the Board of Directors and shareholders' meeting, as well as the Good Corporate Governance Principles, while the executives manage the organization under exemplary morals and ethics, and play a key role in promoting good governance for the organization.

The Board of Directors has determined objectives, goals, strategies, policies, and directions of the business operations, including overseeing, inspecting, and following-up their implementation by the management to ensure transparency, compliance with laws, and sustainable growth with responsibilities toward the environment, society, stakeholders, and being under good corporate governance, as well as ensuring that the management regularly reports the operating performance. This is to ensure maximum overall benefit for Krungsri and its shareholders.

SETTING OF ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND MANAGEMENT

- Krungsri has clearly separated the roles and responsibilities of the Board of Directors and management. Roles and responsibilities of the Board of Directors, Chairman of the Board, President and Chief Executive Officer and the executives are clearly specified in Good Corporate Governance Principles. Details are shown in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic, "Management Structure".
- Krungsri clearly stipulates the approval authority of the Board of Directors with respect to significant matters in accordance with laws, the Bank's Articles of Association, and guidelines such as important policies for the Krungsri Group's operations, the annual operating plan, and budget. Details are shown in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic, "Roles and Responsibilities of the Board of Directors".

> **THE BOARD OF DIRECTORS UNDERTAKES THE FIDUCIARY DUTIES OF OVERSEEING THE MANAGEMENT IN ALIGNMENT WITH APPLICABLE LAWS, THE BANK'S OBJECTIVES AND ARTICLES OF ASSOCIATION, THE RESOLUTIONS OF THE BOARD OF DIRECTORS AND SHAREHOLDERS' MEETING, AS WELL AS THE GOOD CORPORATE GOVERNANCE PRINCIPLES.**

GOOD CORPORATE GOVERNANCE PRINCIPLES AND THE SPIRIT & THE LETTER (S&L)

- Krungsri has established 'Good Corporate Governance Principles' (Principles) to be used as the policy and guidelines for supervision of the business operations of Krungsri, to which the directors, executives, and employees shall adhere. The Principles are filtered by the Executive Committee and Risk and Compliance Committee before being proposed to Board of Directors for approval. The Principles are reviewed on an annual basis or without delay in case of any significant change. This is to ensure the appropriateness of the Principles in changing circumstances, and their alignment with relevant regulations of the regulatory bodies, Krungsri's organizational structure, and the environmental situation of Krungsri Group's corporate governance.
- The Principles' contents cover various significant matters e.g. shareholders' rights and their equitable treatment, information disclosure and transparency, composition and qualifications of the Board of Directors, roles and responsibilities of the Chairman, the Board of Directors, and the committees reporting to the Board of Directors as well as those of the President and Chief Executive Officer and executives, internal control and internal audit systems, and Krungsri Group's business philosophy and roles with regard to the stakeholders and Employees' Code of Conduct and compliance.
- Krungsri disseminates and promotes the Principles through internal communications and Krungsri's website under the topic of corporate governance in order for the directors, executives, employees, and related persons to study and adhere to them. There are activities to promote comprehensive understanding amongst employees. In addition, to be in line with the Board of Directors' resolution, Krungsri

communicates the Principles including their annual revision to its subsidiaries in order for them to adopt or create their own good corporate governance principles in accordance with the nature of their businesses, and with a view toward strengthening the operations of Krungsri Group.

- In 2020, the Board of Directors reviewed the Principles and Krungsri's operations in order to enhance actions according to good corporate governance. In any case of non-compliance, there is a delegation of authority to the responsible function to study information and take action, and the Corporate Secretary shall follow up on such cases and report the results for acknowledgement.

- Krungsri has established The Spirit & The Letter (S&L), which is deemed as the Code of Conduct and has been announced for executives and employees' awareness as well as posted on Krungsri's website. S&L is deemed as a policy on integrity applying to all directors, executives, and employees of Krungsri, who must understand and regularly follow the code both literally and in its spirit, whereby matters to be acknowledged, complied with, and be aware of, as well as punitive measures in case of violation, are specified in written form. The executives and employees shall sign the commitment for acknowledgement and compliance regarding S&L. Supervisors shall have the duty to share knowledge of the Code of Conduct with their employees, and have oversight to ensure the employees' awareness that business operations must comply with the Code of Conduct and Krungsri's policies.

- Krungsri continuously arranges S&L Compliance Excellence activities on an annual basis and requires every business function to appoint a Compliance Champion to serve as a conduit for communications, knowledge sharing, and enhancement of understanding in compliance issues including rules and regulations, policies and procedures, and corporate governance requirements stipulated by Krungsri for the employees in each particular function to be updated and adhere thereto, which creates ongoing awareness of such principles.

- To ensure that all executives and employees in the organization have knowledge and understanding of the Principles and the S&L, and can perform their duties correctly and appropriately, Krungsri has developed a compulsory course via Krungsri Learning Companion (KLC). All executives and employees must complete the course every two years or whenever it is significantly updated. Course participants must pass tests with a score of no less than 70 percent. Those who fail to meet the criteria must study further and retake the test until they meet the benchmark.

PREVENTION OF ANY TRANSACTIONS THAT MAY LEAD TO A CONFLICT OF INTEREST AND ANY USE OF INSIDE INFORMATION TO SEEK UNLAWFUL BENEFITS FOR ONESELF OR OTHERS

- All of Krungsri's directors, executives, and employees are required to strictly abide by the relevant laws, policies, and directives, as well as the Code of Conduct and ethics of Krungsri. Use of Krungsri's inside information or information undisclosed to the public for one's own or others' benefit is prohibited.

- The use of inside information for stock trading is prohibited since this violates the law and principle regarding conflict of interest. All of Krungsri's directors, executives, and employees must strictly comply with relevant laws and regulations as well as the laws governing financial institution business and securities and exchange.

- A blackout period will be announced to prohibit any trading of Krungsri shares by Krungsri's directors, executives, and employees for three business days both before and after notification to the Stock Exchange of Thailand. In addition, for those shares acquired during the term of office of directors, executives, and employees, including their related persons such as spouses and minor children, the sale or transfer can be made only after a three-month period following their acquisition, unless permitted by the President and Chief Executive Officer or other designated persons.

- Krungsri's directors and executives as stipulated by laws and Krungsri shall report any changes of their holdings of Krungsri's securities or derivatives, or the holdings of related persons as specified by regulations, within three business days after the date of purchase, sale, transfer, or acceptance of a transfer of Krungsri's securities or derivatives, to the Securities and Exchange Commission for acknowledgement (except for newly appointed directors and executives whose names have not yet been listed in the Securities and Exchange Commission's Directors and Executives Information System; they are required to report their changes in securities and derivatives holdings to the Securities and Exchange Commission within seven business days after the changes) and are required to inform the Board of Directors. In 2020, there were no cases of insider trading of securities or derivatives among Krungsri's directors, executives, or employees.



- All employees shall manage material non-public information appropriately. Any disclosure of such information shall be made only on a 'need-to-know' basis.
- All employees shall avoid any direct or indirect action that may present a conflict of interest. Misuse of the resources or image of Krungsri is prohibited. Also, conflict in business practices must be resolved to ensure fair treatment and avoid reputational risk to Krungsri.
- Krungsri requires its directors to report their positions in other companies via the Related Party Information System, or RPIS, according to the designated method and timeframe.

PRACTICE 2: SPECIFIES MAIN OBJECTIVES AND TARGETS OF THE ORGANIZATION TOWARD SUSTAINABILITY

Krungsri strives to conduct business under the mission, 'To be a leading regional financial institution with global reach, committed to responsibly meeting the needs of our customers and serving society through sustainable growth', by developing innovative products and financial services through taking into account and linking economic, social, and environmental dimensions, including expectations of all stakeholders, and focusing on business that contributes to the community and society on the basis of sustainable growth-in line with sustainable banking-by adhering to the concept of responsible lending that Krungsri has always placed importance upon and practices continuously.

DETERMINE MISSION, VISION, CORE VALUES, AND MEDIUM-TERM BUSINESS PLAN

- The Board of Directors clearly determines Krungsri's mission and vision, which are announced to all employees for acknowledgement and as guidelines for accomplishing their work as targeted. The Board of Directors normally reviews the mission, vision, and core values on an annual basis to ensure alignment with any change in circumstances. The Board of Directors has already reviewed Krungsri's mission, vision, and core values for 2020, and resolved to keep them as before.
- The Board of Directors has implemented the second Medium-Term Business Plan (2018-2020), which is a strategic framework formulated for business operations over three years and shall be reviewed annually to ensure correspondence with prevailing conditions. In 2020, the Board of Directors reviewed the Operating Plan (OP) and revised the financial targets to reflect the COVID-19 pandemic as well as disclosed to general investors via the disclosure channel of the Stock Exchange of Thailand.

  The Board of Directors has monitored its implementation by management. In this regard, the management is responsible for reporting its actual performance compared to the plan to the Board of Directors for acknowledgement on a monthly basis. In addition, a Krungsri Town Hall Meeting is organized for Krungsri executives every year so that they can acknowledge the past performance, Operating Plan, and business plan of Krungsri Group in order for

> NOMINATION OF DIRECTORS IS CARRIED OUT BY THE NOMINATION AND REMUNERATION COMMITTEE WHEREBY INDIVIDUAL QUALIFICATIONS AND OTHER PREREQUISITES AS STIPULATED IN RELEVANT LAWS, REGULATIONS OF KRUNGSRI'S REGULATORS, THE BANK'S ARTICLES OF ASSOCIATION AND IN LINE WITH INTERNATIONAL GOOD CORPORATE GOVERNANCE PRINCIPLES

them to oversee the operation and communicate with their subordinates.

- In order to align with Krungsri's Medium-Term Business Plan, the Board of Directors encourages the Bank to adopt innovation and technology to create competitiveness by taking into account the environment, customers' needs, and expectations of all stakeholders. Examples include transformation of branch service to match customers' lifestyles by using National Digital ID (NDID) which allows customers to conveniently, promptly, and safely execute online transactions with government and private sectors without having to go and show proof of their identity at a branch, whether it is for online deposit or securities account opening, online loan application, online insurance application, etc.

PRACTICE 3: ENHANCE THE BOARD OF DIRECTORS' EFFICIENCY

NOMINATION AND REMUNERATION OF THE DIRECTORS

- Nomination of directors is carried out by the Nomination and Remuneration Committee whereby individual qualifications and other prerequisites as stipulated in relevant laws, regulations of Krungsri's regulators, the Bank's Articles of Association and in line with international good corporate governance principles as well as Board diversity which includes knowledge, experience and necessary skills, gender, age, and specialized proficiencies beneficial to Krungsri, for example in banking, business administration, accounting and finance, organization management, risk management, laws, information technology governance, and other areas necessary for the implementation of Krungsri's business strategies, are all taken into consideration.
- In nominating directors, Krungsri has established a Board Skills Matrix to ensure that the entire Board of Directors is qualified and has appropriate expertise, and to support the determination of skills and qualifications of nominated persons in line with the organization's strategies and goals. In addition, it helps in the creation of a director development plan. Krungsri has also established its own director pool by collecting name lists from various sources, e.g. the Thai Institute of Directors Association Chartered Director (IOD Chartered Director), as supporting information when seeking candidates for nomination.
- Details of director nomination and appointment criteria appear in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic, 'Nomination and Appointment of Directors and Senior Executives'.
- Krungsri clearly specifies the definition of the independent directors in compliance with the Notification of the Capital Market Supervisory Board. A more stringent criterion on shareholding percentage is also applied.
- As of December 31, 2020, the Board of Directors comprised 12 directors: four non-executive directors; five independent directors (including two women); and three executive directors. In this regard, on January 2, 2020, Ms. Tongurai Limpiti was appointed as an Independent Director (She is listed in IOD Chartered Director) as a replacement for Mr. Veraphan Teepsuwan, non-executive director, who passed away on May 14, 2019.
- Currently, our Board of Directors consists of members having a diversity of knowledge, experience, gender, and age, as well as those having proficiencies beneficial to Krungsri, e.g. expertise in the field of information technology, as stipulated by the Bank of Thailand's regulation regarding corporate governance of financial institutions.
- The Chairman of the Board, who is an independent director, is not the President and Chief Executive Officer, and their roles and responsibilities are clearly separated. The Chairman of the Board plays an important role in overseeing and supporting the Board of Directors so that the directors can fully carry out their duties according to the designated directions and strategies.

POSITION OF THE DIRECTORS OF OTHER COMPANIES

- Directors are allowed to serve as chairman or executive directors of other companies in not more than three business groups excluding Krungsri. If those companies do not belong to the same business group, each company

shall be considered a separate business group. As for companies acquired by Krungsri through debt restructuring, the companies shall be considered as companies in the business group of Krungsri.

- Directors are allowed to hold directorship in no more than five listed companies, both domestic and overseas (including Krungsri), excluding the listed companies acquired by Krungsri through debt restructuring.

- Directors shall not hold any position in other financial institutions that operate businesses competing with Krungsri.

  Directors, managers, persons with management authority, and advisors of a financial institution who have assumed directorship in more than five listed companies in both domestic and overseas stock exchanges before the effective date of the Bank of Thailand Notification No. FPD. 10/2561 Re: Corporate Governance of Financial Institutions, may continue their directorships but not beyond May 1, 2022, in accordance with the transitional provision of the aforesaid notification.

- In 2020, none of the executive directors served as a director of other listed companies.

BOARD OF DIRECTORS MEETING

- Board of Directors meeting is held at least once a month, with the meeting date and important agendas for each meeting set in advance for the entire year. In case of necessity or urgency, an extraordinary meeting may be called as determined by the Chairman of the Board.

- The Chairman of the Board and President and Chief Executive Officer have the duty to jointly consider matters to be included in the agendas of Board of Directors meetings. However, other directors including independent directors are also given the opportunity to review and provide an opinion on the agenda items (if any) before a notification of each meeting is delivered to all directors. In this regard, the directors may propose agenda items to the meeting by informing the Chairman of the Board, the President and Chief Executive Officer, or the Corporate Secretary.

- Notifications of the Board of Directors meeting, agenda and supporting documents will be delivered via email to all directors and uploaded on the e-document system, which can be accessed from provided tablets. The agenda proposed to the Board will be set after the meeting of the Excom, who acts as a gate keeper, each week and/or at least seven days prior to the meeting date, to ensure that the directors have sufficient time to review the agenda items. If the directors require additional information or documents, they can make such requests to the executive directors or the Corporate Secretary.

- Every director is obligated to attend every Board of Directors meeting, unless they have imperative business such as a meeting with a government agency or an overseas business trip, or they have fallen ill. Details of meeting attendance of the Board of Directors in 2020 are disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic, 'Meeting of the Board of Directors'.

- A meeting requires no less than half of all directors to constitute a quorum, and a resolution of the meeting shall be passed by majority vote. In case of a tie vote, the Chairman shall have an additional to break the tie. In compliance with the good corporate governance guideline, a quorum of at least two-thirds is required at the time of voting for Board decisions.

- Each Board of Directors' meeting takes an average of four hours. The Chairman of the Board provides an opportunity for all directors to be fully independent in making inquiries and suggestions, and to debate and express their opinions, to ensure prudent discretion. The senior executives and officers related to the matter are also invited to answer questions, and receive suggestions and observations made by the Board of Directors.

- Due to the COVID-19 pandemic in 2020 when each country imposed strict preventive protocols and limited overseas travel, Krungsri arranged the Board of Directors meetings in the form of electronic meetings (e-meetings) via the WebEx system to enable directors who were residing in Thailand and overseas to all attend the meetings and provide opinions smoothly. Directors were required to identify themselves prior to joining the meeting. There was audio recording, or both video and audio recording, of all participants for the entirety of each meeting. The electronic traffic of all participants is kept as evidence, and all actions adhere to stipulated laws.



- The meeting minutes identify in clear and sufficient detail the date and time that the meeting was declared open and closed, lists of present and absent directors, summary of the agenda, issues discussed, and recommendations of the Board of Directors, including explanations from the management, and resolutions of the Board of Directors. The meeting minutes have been signed by the chairman of the meeting and the minutes taker. In addition, any director having a conflict of interest in any agenda item neither joined the consideration nor voted on that particular agenda. In this regard, the Corporate Secretary normally checks information on conflict of interest in advance and notifies all directors prior to the meeting, as well as recording such information in the meeting minutes. In addition, when holding the e-meeting, there is a record in the meeting minutes as stipulated by law, i.e. identification of the meeting participants, presenters name list, and meeting administrators name list. In this regard, the attending directors' name list will have separate categories for the directors who attend in person and the directors who attend via electronic means.
- After the minutes are adopted by the meeting, the Corporate Secretariat Department is responsible for dispatching copies of the meeting minutes to the relevant internal and external units within the prescribed time, and safekeeping the same in the forms of hard and soft copies for future reference and audit. No amendment to the meeting minutes can be made without approval from the Board of Directors meeting.
- The Board of Directors encourages non-executive directors to organize meetings among themselves to independently discuss various issues without management's presence, i.e. matters covering organizational culture, human resource management, and future business direction, and to present a summary of their opinions to the President and Chief Executive Officer for acknowledgement. In 2020, two meetings of non-executive directors were held, on May 27 and November 25.

REMUNERATION OF THE DIRECTORS

- Krungsri has established a policy on remuneration of the directors to ensure that it is appropriate and commensurate with the responsibilities of directors in accordance with size and business operations of Krungsri. In addition, the remuneration policy aligns with Krungsri's performance and brings the maximum benefit to its shareholders, as well as being comparable to peers. In this regard, the Nomination and Remuneration Committee is responsible for proposing to the Board of Directors and the shareholders meeting, respectively, for approval of the remuneration of the directors and members of committees reporting to the Board of Directors, on an annual basis.
- The remuneration is based on the type of director, i.e. non-executive director, independent director, and executive director. The remuneration structure consists of a retainer fee, attendance fee, and other annual compensation, including directors' remuneration as members of the committees reporting to the Board of Directors.
- Other benefits, i.e. medical benefits including annual health check-up, and company car, are in accordance with Krungsri's regulations.

SUPERVISION OF SUBSIDIARIES' OPERATIONS

- The Board of Directors determined frameworks for the overall operations and strategic targets, and provides oversight for mechanisms of compliance and operations of Krungsri Group.
- The Board of Directors has clearly defined roles and responsibilities of the management for the President and Chief Executive Officer and senior executives in the Policy for Governing Group Companies, and follows up on the assignments' progress.
- Krungsri has established the Policy for Governing Group Companies specifying the nomination of Krungsri's personnel to be directors of the subsidiaries, and their roles and responsibilities. In addition, there is a set of group-wide policies specifying an internal control and important information disclosure of the subsidiaries which is in line with relevant laws and regulations.
- In case of significant investment in other businesses, Krungsri and/or its subsidiaries will make an affiliate agreement for clarification of management authority and take part in decision-making for important matters. Regular performance reports are required for the maximum benefit of Krungsri and/or its subsidiaries, and for use in the timely issuance of standard financial statements.

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS AND THE COMMITTEES REPORTING TO THE BOARD OF DIRECTORS

Criteria

- Krungsri arranges for the performance evaluation of the Board of Directors and the Committees reporting to the Board of Directors on an annual basis in order to ensure that their duties are fulfilled in accordance with the Principles.

In addition, the evaluation gives them an opportunity to review their performance, analyzing various difficulties faced in the previous year for further improvement.

- There are three types of performance evaluation of the Board of Directors, i.e. 1) Board Evaluation; 2) Self-Evaluation; and 3) Cross-Evaluation. The evaluation forms, which are designed in accordance with the guideline of the Stock Exchange of Thailand as well as aligning with the characteristics and structure of the Board of Directors, shall be proposed to the Nomination and Remuneration Committee and the Board of Directors for consideration and approval, respectively. The evaluation topics are as follows:

  - **Board Evaluation**
    1. Structure and characteristics of the Board;
    2. Roles and responsibilities of the Board;
    3. Board meetings;
    4. The Board's performance of duties;
    5. Relationship with management;
    6. Self-development of directors and executives.

  - **Individual Self-Evaluation and Cross-Evaluation**
    1. Qualifications and expertise of the director;
    2. Roles and responsibilities of the director. In case of the Chairman, the evaluation form includes additional topics regarding the Chairman's duties;
    3. Board meetings.

    Steps: Upon the approval of forms as mentioned above, the Corporate Secretariat Department will send all three types of electronic evaluation form to every director for evaluation, then gather all of the completed forms to summarize the overall result, including their comments or suggestions, and report to the Nomination and Remuneration Committee and the Board of Directors so that they can discuss solutions to enhance operational efficiency for maximum benefit. In addition, the overall individual result from cross-evaluation will be informed to each director. In this regard, the overall result of the above evaluations is 'good'.

- All committees reporting to the Board of Directors have evaluated their performance as a whole, while the Audit Committee has additionally conducted self-evaluation on an individual basis. Their evaluation forms were adopted from assessment guideline of the Stock Exchange of Thailand and/or the Board of Directors' evaluation form to the extent that suits each committee's structure and nature. The evaluation topics and criteria are as follows:

  - The evaluation topics of Audit Committee (as a whole and individual) and Nomination and Remuneration Committee (as a whole):
    1. Structure and characteristics of the committee;
    2. Committee meetings;
    3. Roles and responsibilities of the committee;
  - The evaluation topics of Risk and Compliance Committee and Executive Committee (as a whole):
    1. Structure and characteristics of the committee;
    2. Roles and responsibilities of the committee;
    3. Committee meetings;
    4. The committee's performance of duties;
    5. Relationship with the Board of Directors/management;
    6. Self-development of committee members.

    Steps: The secretary of each committee will send an evaluation form to every committee member for evaluation, then gather all of the completed forms to summarize the overall result, including their comments or suggestions, and report to the respective committee so that they can discuss solutions to enhance operational efficiency for maximum benefit. In this regard, the overall result of each committee's evaluation and Audit Committee individual self-evaluation is 'good'.

DIRECTORS' INDUCTION AND DEVELOPMENT

- In 2020, Krungsri appointed one new director, Ms. Tongurai Limpiti, former senior executive of the Bank of Thailand, who has knowledge and expertise in the financial institution system and financial stability. Therefore, Krungsri conducted an induction focusing on strategies, plans, and business operations in various aspects including necessary information for the director. The presenters were the senior executives responsible for core business groups of Krungsri and the aspects that the new director is interested in, e.g. Head of JPC/MNC Banking, Chief Financial Officer and Chief Risk Officer. Furthermore, the Corporate Secretary has prepared documents and a handbook for the director as information for the director's performance of duties, including those relating to meetings, meeting materials, and matters of Krungsri and its subsidiaries, as per the new director's request.

- To enhance the directors' efficiency in performing their duties, the Board of Directors has encouraged the directors to continuously develop their knowledge, and to regularly attend relevant seminars and training courses organized by the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand, and other leading local and international training institutes. Krungsri covers all expenses, including those of in-house training courses. In each quarter,



the Corporate Secretary gathers advance information on available and suitable training courses organized by IOD and delivers it to the directors so that they can plan their course schedules. In this regard, the Corporate Secretary will also facilitate the training registration and other related processes. In 2020, the directors attended the courses arranged by regulators/institutions of which details appear in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic, 'Details on Directors, Executives, Persons with Managerial Authority and Corporate Secretary (as defined by the Capital Market Supervisory Board and Krungsri)'.

- In 2020, Krungsri arranged for an internal training course via the e-meeting system for the Board of Directors, on the topic of ESG and Sustainable Banking Development, including response to the COVID-19 situation, by Mr. Anders Nordheim from Asia Sustainable Finance at WWF (Singapore). Eleven directors attended the training course: Mr. Karun Kittisataporn, Mr. Noriaki Goto, Mr. Toru Matsuda, Ms. Junko Kawano, Ms. Nopporn Tirawattanagool, Ms. Potjanee Thanavaranit, Mr. Virat Phairatphiboon, Dr. Jamlong Atikul, Ms. Tongurai Limpiti, Mr. Seiichiro Akita, and Ms. Duangdao Wongpanitkrit.
- Krungsri has also obtained books concerning the roles and duties of directors, sent the book list to the directors for their selection and further research, and prepared necessary information for the directors in an electronic form in order for the directors to be updated on various topics, e.g. current news, interesting articles, and matters relating to laws.

THE COMMITTEES REPORTING TO THE BOARD OF DIRECTORS AND MANAGEMENT COMMITTEES

- The Board of Directors appoints the committees reporting to the Board of Directors, i.e. the Nomination and Remuneration Committee, the Audit Committee, the Risk and Compliance Committee, and the Executive Committee, with clearly specified roles and responsibilities in order to assist them in their performance of duties. Each member's background and qualifications, composition of the committees, number of meetings, and individual statistics on meeting attendance are disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topics, 'Management Structure' and 'Details on Directors, Executives, Persons with Managerial Authority, and Corporate Secretary (as defined by the Capital Market Supervisory Board and Krungsri)'.
- Management committees are also appointed to examine and filter related matters before submission to the Board of Directors, such as the Risk Management Committee and the Compliance Committee, whose composition, qualifications, roles, and responsibilities are specified in their respective directives.

CORPORATE SECRETARY

- The Board of Directors appointed Ms. Thidarat Sethavaravichit, Senior Vice President, Head of Corporate Secretariat Department, who possesses appropriate qualifications, direct work experience, and a degree in law, as Corporate Secretary. She also serves as Secretary to the Board of Directors and Secretary to the Executive Committee, with primary responsibilities as follows:

  1. Fulfill the duties of Corporate Secretary as stipulated by laws and as assigned by the Board of Directors;
  2. Ensure that the various activities of the Board of Directors are in compliance with relevant laws, rules, and regulations;
  3. Organize shareholder meetings and Board of Directors meetings, and prepare meeting minutes in compliance with laws and the Bank's Articles of Association, including follow-up on matters arising from meeting resolutions;
  4. Advise the Board of Directors on relevant legal issues, rules, and the Bank's Articles of Association as needed in the performance of their duties for the benefit of Krungsri;
  5. Arrange for an orientation and provide information to newly appointed directors;
  6. Coordinate and exchange knowledge with secretaries of the committees reporting to the Board of Directors and company secretaries of subsidiaries in order to increase the efficiency of corporate governance.

- The Board of Directors encourages the executives, the Corporate Secretary, and persons who have duties relating to compliance to continuously take related training courses,

not only external courses but also learning via Krungsri Learning Companion (KLC) which can be accessed via the Internet through PCs, smartphones, or tablets. Courses include Good Corporate Governance (CG), The Spirit and The Letter (S&L), and IT Security Policy.

- The Corporate Secretary takes various related training courses that are of benefit to their performance of duties, as organized by IOD and other agencies, to continually develop herself, e.g. Company Secretary Program (CSP), Board Reporting Program (BRP), Director Certification Program (DCP), and Corporate Governance for Executives (CGE), CG Code workshop, IT Security Trend Update and Company Secretary Forum 2019 "Role of the Company Secretary in Shaping Corporate Culture as well as field trips to gain knowledge regarding corporate secretary tasks domestically and abroad. In 2020, the Corporate Secretary additionally attended programs on the impact of COVID-19 on annual general meetings in Asia-Pacific, with specific reference to ASEAN; 'Board of the Future: How will the role of the Company Secretary evolve?'; and Business Sustainability Foundation.

PRACTICE 4: NOMINATION AND DEVELOPMENT OF SENIOR EXECUTIVES AND PERSONNEL MANAGEMENT

NOMINATION, DEVELOPMENT, AND SUCCESSION PLANS FOR SENIOR EXECUTIVES

- The President and Chief Executive Officer shall propose the nomination/promotion/appointment criteria for Executive Vice President level and above to the Nomination and Remuneration Committee for consideration, whereby its details appear in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic, 'The Nomination of Senior Executives'.

- Krungsri provides opportunities for executives to perform their duties independently under their assigned roles and responsibilities. Moreover, Krungsri also provides them relevant training courses in various areas on a regular basis, for their personal development and career path.

- Krungsri is well-prepared in succession plans for positions deemed vital to business operations so that in the event of a vacancy, a qualified successor can be appointed immediately, without any interruption. The President and Chief Executive Officer has therefore proposed the succession plans for senior executives to the Nomination and Remuneration Committee for consideration before proposing them to the Board of Directors for approval. The succession plans for senior executives will be reviewed on an annual basis. These plans for Krungsri successor readiness are divided into three levels as follows:



1. Successors who are ready now;
2. Successors who will be ready within 1-2 years;
3. Successors who will be ready within 3-5 years;

Krungsri also designates business contingency plan candidates in case of any immediate change or any critical event in an executive position causing a vacancy.

In order to develop successors, Individual Development Plans are prepared for all Krungsri Group executives. Apart from competency-based management, Krungsri has developed a career plan ensuring that executives gain the experience necessary for holding key positions in the future. As an internal process, HR periodically facilitates the monitoring of successor career and competency development progress through meetings with related executives and committees. In addition, the Head of the Human Resources Group is responsible for annually reporting both succession and successor development plans to the Board of Directors.

POSITIONS IN OTHER COMPANIES HELD BY THE PRESIDENT AND CHIEF EXECUTIVE OFFICER, AND SENIOR EXECUTIVES

Krungsri allows the President and Chief Executive Officer and senior executives to hold directorships of no more than five companies of Krungsri Group, whereby the President and Chief Executive Officer shall review the propriety of the appointment and propose the appointment to the Board of Directors for approval via the Nomination and Remuneration Committee. However, they shall not hold directorships of

any other listed companies outside Krungsri Group. In case of necessity, approval must be obtained from respective line managers/Head of Group/Chief Officer, Head of Human Resources Group, and the President and Chief Executive Officer.

THE DETERMINATION OF REMUNERATION STRUCTURE AND PERFORMANCE EVALUATION OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

- The Nomination and Remuneration Committee is responsible for considering and proposing to the Board of Directors for approval the remuneration of the President and Chief Executive Officer and senior executives; however, executive directors do not participate in considering the remuneration of the President and Chief Executive Officer. Remuneration criteria are stipulated by the Board of Directors.
- Krungsri stipulates a fair, reasonable, and incentivizing remuneration in order to retain proficient executives as well as create long-term value for shareholders. The remuneration is also associated with Krungsri's performance and targets, both short and long term, as well as KPI results of each individual's performance against targets under the Balanced Scorecard criteria, including performance indicators aligning with organizational strategies, and a scope of responsibilities of an individual executive which is comparable to the industry benchmark. As for executives who also serve as a member of the committees reporting to the Board of Directors or the management committees, including directors in any of Krungsri's subsidiaries, they do not receive additional remuneration. Krungsri discloses related details of remuneration in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic, 'Remuneration for Directors and Executives'.
- Krungsri annually conducts a performance assessment of the President and Chief Executive Officer, whereby its criteria, targets, and performance assessment using the Balanced Scorecard are endorsed by the Nomination and Remuneration Committee and in line with Krungsri's objectives, targets, and strategies, as well as short- and long-term benefits.
- The Board of Directors (except executive directors) shall assess the performance of the President and Chief Executive Officer, and the assessment results will be used for considering bonus payment and annual compensation increment. Assessment criteria and results are communicated to the President and Chief Executive Officer.

HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT

- Krungsri recognizes that its employees at all levels are valuable resources and key drivers for Krungsri's achievements according to its short- and long-term business strategies. Krungsri therefore sets appropriate human resource management policies, aims for a fair recruitment and selection process, provides proper remuneration and welfare benefits to employees, retains talented employees, promotes career advancement, and enhances employee skills and competencies through a variety of courses that respond to current work challenges, ensuring employee efficiency.
- Krungsri adheres to human rights standards and fair and equitable treatment by establishing fair employment guidelines and attaching importance to job qualifications, with non-discrimination in terms of race, gender, religion, and age. Krungsri also ensures strict compliance with relevant employment and labor laws, while also promoting a positive workplace culture and respect for employees' privacy.
- Krungsri establishes appropriate and fair remuneration policies that take into account Krungsri's short and long-term performance. Krungsri has implemented a Bank-wide process by setting key performance indicators, goals, as well as performance assessment under the Balanced Scorecard, which covers financial and non-financial perspectives (customer service, social responsibility, internal operations management, and human resources management and development). Corporate KPIs are normally cascaded to individual KPIs in order to reflect short-term performance and to be measured against Krungsri's long-term strategic plan. In addition, Krungsri has created individual development plans to enhance employees' potential and thus ensure sufficient readiness and competency for their given duties. Krungsri provides employees just and fair remuneration in accordance with their performance, and reviews compensation structure by considering job value criteria and industry compensation surveys, to ensure better compensation management and competitive pay.
- Krungsri provides welfare benefits greater than legal requirements, which includes additional forms of benefits, for the purpose of retaining employees and incentivizing them to perform their duties to support long-term value creation for Krungsri and its shareholders, e.g. establishing a provident fund for employees to which Krungsri is obliged to make partial contributions, so that employees have savings for retirement, resignation, or disability, or as life insurance for their families. In addition, Krungsri

communicates with its employees via various channels such as email and training programs in order to enhance their knowledge and understanding of the provident fund, its benefits and investment policy, and the risks associated with its investments. At present, Krungsri has changed the investment policy from a 'single fund with one investment policy' approach to a 'single fund with multiple investment policies' approach to allow employees to choose their desired investment policy or investment plan (Employee's Choice) based on their age, expected returns, and risk appetite.

- Krungsri provides other welfare benefits to meet employees' potential future needs. These benefits aim to help relieve employee stress. Welfare benefits are divided into three major categories: financial aid, health and insurance, and employee loans. Details are conveyed to employees for their acknowledgement via the Employee Handbook and the Krungsri People online system, so that they may see the benefits for themselves and their families.

- Krungsri focuses on enhancing people's excellence to develop individual and organizational performance, in line with Krungsri's targets and strategies, with an aim of being capable of efficiently responding to business requirements and customer needs to support the organization in keeping up with business challenges and the digital revolution, as well as grooming employees and developing their competencies for the organization's sustainable growth and their own career advancement. Moreover, executives and employees at all levels are encouraged to enhance their competencies through modern learning channels with a wide range of learning solutions and styles that provide limitless learning opportunities anywhere, anytime. In 2020, employees participated in various training courses for an average of 51.53 hours per person.

- Apart from aiming to foster excellence among Krungsri people by encouraging employees to express themselves through Krungsri Core Values, and showing strong leadership and professionalism in order to offer customers the most satisfactory experience, Krungsri has designed learning programs that support its employees in being good and ethical citizens and exhibiting responsibility toward stakeholders, society, and the environment. Examples of these courses include 'Krungsri...Preserve the World', Good Corporate Governance, the Personal Data Protection Act, Environmental, Social and Governance (ESG) Fundamentals, Zero Waste, CPR/AED, etc. Also provided are health promotion programs and personal finance training courses such as 'How to Invest' to promote retirement savings, and 'Four Ways toward Wealth' to provide investment and wealth management knowledge, etc.

- In terms of employee safety and healthcare, Krungsri stipulates a set of principles on the working environment, health, and safety as stated in S&L. Krungsri has set up a committee specifically to oversee safety, occupational health, and the working environment in order to ensure that employees' lives and property are always secure. For example, Krungsri provides annual physical examinations, annual influenza vaccinations, and examinations for respiratory- and hearing-vulnerable groups. Other services include a Krungsri medical room, antiseptic spraying at workplaces, and cleaning of office equipment and devices to prevent the spread of contagions. In addition, Krungsri has created health, life, and accident insurance programs to complement the government's social security program, set up the Krungsri Happy Heart Center to provide psychological consultancy by mental health experts to employees suffering from work- or life-related stress, and set up the 'Five Soh' activity, and an indoor exercise area where employees can relax from work. In addition, a number of clubs including bicycling, jogging, badminton, and soccer have been established. Details are shown in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic, 'Social Responsibility'. In 2020, one employee had a work-related accident; however, no employees had a work-related illness.

SHAREHOLDERS STRUCTURE AND RELATIONSHIP

The Board of Directors understands shareholders structure and relationship and is aware of MUFG Group's policy as Krungsri's parent company. Krungsri closely cooperates with them with an aim of enhancing the efficiency and development of Krungsri's operations in various areas for the maximum benefit of all shareholders as well as fairness to all groups of stakeholders.

> **THE BOARD OF DIRECTORS HAS EMPHASIZED THE CREATION OF INNOVATIONS IN ADDING VALUE TO THE BUSINESS TOGETHER WITH BENEFIT TO CUSTOMERS OR ALL RELEVANT PARTIES AND RESPONSIBILITY TOWARD SOCIETY AND THE ENVIRONMENT. THE BOARD OF DIRECTORS HAS ALSO FOLLOWED UP ON THE MANAGEMENT'S IMPLEMENTATION OF EFFECTIVE AND EFFICIENT RESOURCE ALLOCATION AND MANAGEMENT.**

PRACTICE 5: INNOVATION ESCALATION AND RESPONSIBLE BUSINESS OPERATIONS

INNOVATION ESCALATION, IT MANAGEMENT, AND RESPONSIBLE BUSINESS OPERATIONS

- The Board of Directors has emphasized the creation of innovations in adding value to the business together with benefit to customers or all relevant parties and responsibility toward society and the environment. The Board of Directors has also followed up on the management's implementation of effective and efficient resource allocation and management.

- The Board of Directors has ensured the establishment of enterprise information technology governance and management framework which are in line with Krungsri Group's needs, as well as the adoption of information technology to stimulate new business opportunities, and develop business operations and risk management for the achievement of Krungsri Group's key objectives. In this connection, a policy and procedure for Information Technology Risk Management and policy and procedure for Enterprise Information Security have been formulated. Moreover, information technology resource allocation and management are also in place.

- The Board of Directors oversees Krungsri Group's business operations to ensure their responsibility to society and the environment, e.g. supporting green energy loans to increase renewable energy sources which will be integrated with other global and domestic energy sources, promoting and supporting investments in energy infrastructure and green energy technology, as well as operating the business according to the principles of sustainable banking by providing responsible lending and taking into consideration environmental, social, and governance (ESG) aspects. In addition, Krungsri has implemented measures to reduce greenhouse gas emissions of its business operations and set a target of a 5-percent reduction of greenhouse gas by 2020. Krungsri has also installed a food waste decomposer at Krungsri Head Office to reduce the disposal of food waste in landfills and turn food waste into high-quality fertilizer in order to nourish plant life, increasing abundance of the ecosystem going forward.

- As for business strategies of 2020, Krungsri focused on financial business transformation in the digital era through innovation development in terms of products as well as innovation adoption for better working processes and service enhancement. In particular, Krungsri places importance on ecosystem initiatives to create more value for customers, e.g. applying the agile way of working to support employees in coping with changes and the use of new technologies to enhance work efficiency and effectiveness.

- Krungsri also applies technology-based innovations for greater customer convenience, in line with our brand promise, 'Make Life Simple', e.g. 'Kept by krungsri', the innovative financial management platform to make savings simpler and more achievable as well as adjustable to customers' lifestyles; and 'Make a Pay', a new online payment service for SME customers and online merchants. 'Make a Pay' will enhance convenience and security for buyers of goods and services in making online payment through merchants' applications on Krungsri Mobile Application (KMA) platform by facilitating them in closing deals and receiving money quickly. The 'Make a Pay' service will also help SME customers reduce costs of cash management and operating expenses, while enhancing the accounting management. Another innovation is 'Ricult', an AgriTech startup that uses deep tech, artificial intelligence and machine learning to help process and manage agricultural work with efficiency and accuracy, aiming to improve the quality of life of Thai farmers-who comprise about one-third of the country's population-by giving them access to financial systems and funding sources and thus expanding their opportunities for financial inclusion, in line with Krungsri's vision of sustainable banking.

TREATMENT OF STAKEHOLDERS

Krungsri is committed to doing business for sustainable growth and driving the organization toward goal achievement as well as being responsible for the fair treatment of stakeholders. Krungsri also supports sustainable growth and development of the economy, society, and environment; therefore, we have established best practices which demonstrate our equal treatment toward all stakeholders; details appear in the Sustainability Report. Furthermore, we have defined the business philosophy and roles related to stakeholders in the Good Corporate Governance Principles, the details of which are below:

- **Investors:** Krungsri recognizes the importance of disclosure of both financial and general information that is accurate, adequate, transparent, regular, and released in a timely manner, through various channels and media for investors. Krungsri has established the Investor Relations function (In July 2020, this function was restructured and its name changed to the Corporate Affairs Department), which is responsible for coordinating, answering enquiries, presenting Krungsri's operating results, and creating good relationships with investors and stakeholders.

- **Shareholders:** Krungsri respects and gives equal priority to all shareholders' rights, and provides them opportunities to consider any important issues and provide comments or suggestions, which may then be applied for improvement of business operations to drive growth and better performance, leading to appropriate returns for shareholders in the long-term. Significant information is disclosed to the shareholders in a correct and adequate manner, with transparency and accountability. In addition, Krungsri encourages and supports the shareholders in fully exercising their rights.

- **Board of Directors:** Krungsri provides opportunities for all directors to fully and independently perform their duties, including expressing opinions and giving recommendations to the management on Krungsri's operations. In this regard, the Corporate Secretariat Department is the function responsible for ensuring that the Board of Directors' performance and activities are in line with the Principles and relevant laws. In addition, Krungsri provides and presents each director with updated content and information of training courses organized by the Thai Institute of Directors Association (IOD) on a quarterly basis, as well as any other significant and suitable external trainings and in-house trainings for performance of the directors' duties, suited to the dynamic business environment and their available time to participate.

- **Executives:** Krungsri provides opportunities for executives to perform their duties independently under their assigned roles and responsibilities, and also provides them training courses in various topics, on a regular basis, for their personnel development and career path.

- **Employees:** Krungsri adheres to all applicable laws and standards, gives fair treatment to its employees, and respects human rights. Krungsri adheres to international human rights principles and is bound by laws concerning freedom of association, privacy, working time, wages, and working hours, as well as non-discrimination in employment. Krungsri is determined to create an environment with attention paid to all employees wherever Krungsri does its business. In this regard, Krungsri has determined appropriate policies of employment, compensation, and welfare, including rules and guidelines on fair employment. Krungsri not only complies with the law in declaring its strong intention to preserve human rights, but also promotes a culture of mutual respect

  The Board of Directors, executives and employees shall adhere to human rights standards and shall not support any activities violating human rights according to the good corporate governance guidelines. Krungsri also provides proper welfare, arranges for a safe workplace and working



conditions, ensures compliance with laws and regulations regarding the environment, hygiene and safety, and creates a work environment without discrimination, and with respect for employees' privacy.

More details on human resources development and management appear in Practice 4: Nomination and development of senior executives and people management.

- **Customers:** Krungsri operates its business under the core value of customer centricity by focusing on compliance with all applicable laws and standards, and serving its customers with honesty, integrity, fairness, and verifiable processes. Krungsri also provides customers equal measures of service and advice, develops and offers them high-quality products and excellent services consistently, and gives them accurate, adequate, clear, and trustworthy information in order to protect their interests, avoid misunderstandings, and deliver maximum customer satisfaction. In 2020, amidst the COVID-19 situation which had widespread impacts on business sectors, Krungsri joined programs and designed measures to accommodate debtors together with the Bank of Thailand and other commercial banks, e.g. a soft loan scheme which provided new credit facility of not more than 500 million baht to strengthen SME customers' liquidity and working capital for their business operations, a key lending rate cut to mitigate impacts on business activities and interest costs, etc. In addition, Krungsri has stipulated stringent measures for safeguarding customers' personal information to prevent any violation of their related rights, details of which are stated in the Employee Handbook. The measures state that the customers' information must not be disclosed, unless required by law or authorized in writing by the customers, and the use of the customers' information for employees' own benefit is prohibited.

  Krungsri also arranges training programs which extend knowledge and understanding of customer-centric values to employees, in order to enhance their variety of skills and

help them develop a positive attitude toward customer services as well as competencies in efficiently responding to customers' needs and expectations. Examples of the training programs include 'Build the Way Forward to an Improved Customer Experience', 'Understanding Your Customers', and 'Winning Customers' Minds'.

Krungsri encourages customers to share their opinions for further improvement of services. Krungsri assesses customer satisfaction and designates a clear target by providing a customer satisfaction survey. Krungsri also developed the 'Instant Feedback' system which is a multifunction self-service kiosk that allows branch employees to know customers' feedback immediately after making transactions, the results of which are analyzed on an annual basis to develop and improve the quality of services provided by the employees. Moreover, customers can file complaints or make recommendations to Krungsri via several channels: Call Center at 1572; email: webmaster@krungsri.com; Krungsri's website under the heading, 'Contact Us'.

- **Vendors/Suppliers:** Krungsri treats its vendors/suppliers with honesty, integrity, fairness, and transparency. Krungsri provides each vendor/supplier with accurate and sufficiently detailed information and significant conditions in a standardized manner. In addition, Krungsri has drawn up policies and guidelines for treatment toward vendors/suppliers as stated in The Spirit & The Letter (S&L), including the Supplier Relationships Policy, the Procurement Department Manual, and the Supplier Code of Conduct which covers matters pertaining to the vendors'/suppliers' business operations in compliance with the Good Corporate Governance Principles as well as laws and relevant regulations, with the key points as follows:

  1. Have the selection process to ensure that vendors/suppliers are operating business in compliance with laws and agreed-upon conditions, are not listed in the UN, OFAC, JFEL, or AMLO SDN List, and to verify whether the vendors/suppliers have any relationship with Krungsri's directors or executives (Related Party). In case of being the related party, the declaration and the operations shall strictly comply with Krungsri's relevant disclosure and other regulations. Vendors/suppliers shall adhere to the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) requirements.

  2. Ensure transparency and fairness, provide correct and complete information to all vendors/suppliers, and keep information provided by the vendors/suppliers in confidentiality, disclosing such data only to the persons involved. Any potential conflict of interest shall be avoided.

  3. Foster vendors/suppliers who operate business in compliance with laws and relevant regulations, adhere to the principles of integrity and transparency, show respect for human rights, have fair employment, and are responsible for society and the environment.

  4. Prepare written purchase order forms with precise and appropriate terms and conditions, and monitor and conduct vendors'/suppliers' performance assessment for further improvement as well as efficiency enhancement and cost reduction to foster sustainable vendors/suppliers.

  Moreover, Krungsri has established a Gift and Entertainment Policy and delivered a statement regarding honesty in working and responsibility toward society and the environment for sustainability to vendors/suppliers for acknowledgement according to Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) in parallel with transparency, fairness, and vendors'/suppliers' verifiable selection process. In addition, Krungsri provides whistleblowing channels for vendors/suppliers to prevent and resolve any instance of unfair treatment toward them.

- **Creditors:** Krungsri shows awareness of its responsibility to every group of creditors by strictly following the agreed-upon conditions, relevant regulations, and laws on the basis of honesty, equality, and fairness. Krungsri does not disclose creditors' confidential information, while providing them with accurate and adequate information as well as promoting activities leading to a better mutual understanding.

  Krungsri has comprehensively structured its management for business operations and established a clear strategy on capital management for the organization's stability and strength, to ensure that Krungsri will not fall into any financial difficulty that would result in its inability to repay debts. Krungsri has managed its liquidity to ensure its ability to repay debts on time according to maturity periods, as well as having readiness to repay debts in an emergency. This managerial structure ensures that Krungsri can repay its debts even when faced with a liquidity crisis. If Krungsri cannot comply with the agreed-upon conditions, creditors will be notified in advance so that they can jointly consider the issues and seek solutions.

  Krungsri has also established a clear and concrete policy on fair treatment and responsibility to creditors, in particular guarantee conditions, capital management and default of repayment. Additional details are shown in the sustainability report.

- **Commercial Banks or Related Financial Institutions:** Krungsri requires every employee to comply with the laws regarding competition, without exception. Punitive measures will be imposed in case of violation, to uphold the rules of fair competition. This is in line with international principles under the scope of related laws.

  Krungsri provides cooperation in activities beneficial to overall business, aiming to prevent any impact on the commercial banking system, and promotes activities that foster better understanding, while competing fairly with other commercial banks under the specified rules and regulations. In addition, Krungsri has established the Gift and Entertainment policy with regards to receiving gift from customers and vendors/suppliers to prevent bribery, or conflict of interest in doing business except for the case which gift-receiving is necessary in order to maintain business relationships. However, any gifts that are received must be treated according to Krungsri's guidelines e.g. donated to charities or public interest non-government organizations.

  Moreover, Krungsri provides cooperation in reducing the costs and expenses of the commercial banking system and the overall economic system. Additional details are shown in the Sustainability Report.

- **Responsibility to society and the environment:** Krungsri places importance on instilling all of its employees with a sense of responsibility for the sustainable development of society. This is because sustainability is a fundamental element of Krungsri's mission, which is 'To be a leading regional financial institution with global reach, committed to responsibly meeting the needs of our customers and serving society through sustainable growth'. Krungsri has translated this concept into concrete actions through socially responsible business practices (known as CSR-in-process) and various social activities (known as CSR-after-process) whereby impacts to stakeholders are taken into account. In addition, as one of Thailand's domestic systemically important banks (D-SIBs), Krungsri strives to carry out its mission of being a responsible financial service provider which emphasizes three dimensions of sustainable development as follows:

  - Economic sustainability: Krungsri aligns business strategies with the economic environment while maintaining a well-balanced portfolio and serving as our customers' trusted vendor/supplier and financial advisor;

  - Social sustainability: Krungsri improves financial services access and enhances financial literacy among Thai people, and continuously engages the employees of Krungsri Group in community development initiatives and valued CSR activities;

  - Environmental sustainability: Krungsri aims to minimize environmentally negative impact through implementation of green initiatives within Krungsri's business and our considered support of customers' eco-friendly initiatives.

Krungsri has established a Policy for Social Contribution and Project Formulation as a basic framework in providing financial support and other contributions to CSR activities, as well as creating a procedure of CSR operations on behalf of Krungsri or Group Companies to ensure that social contributions/donations are carried out, are of benefit to society, and are in line with the aforementioned policy. Krungsri has established a framework of CSR activities, or Krungsri's Four CSR Pillars, in supporting sustainable growth at both the domestic and international level; the details are as follows:

1. Creating sustainable value: focusing on employees' and executives' understanding of CSR and sustainability. In addition, it focuses on practices regarding a long-term engagement with stakeholders as well as conducting sustainability reporting in order to evaluate corporate sustainability performance and raise awareness among stakeholders.

2. Giving back to the community: focusing on community engagement, for areas surrounding Krungsri's operational sites and nationwide through three social projects/ activities, i.e.

   (1) Financial literacy and education support: Krungsri organizes activities related to its potential and expertise as a financial service provider, e.g. the Krungsri Financial Literacy Project, which was initiated in 2015. As part of the project, employees help older elementary school students (grades 4-6) to learn about saving and spending money wisely through games, and thus equip them with financial knowledge and savings discipline in their childhood. Krungsri continuously monitors and assesses the progress of the ongoing project. This project not only leverages the potential of Krungsri's personnel as financial service providers for the benefit of society, but also fosters both community and employee engagement;

(2) Social and community development, e.g. breast cancer campaign, blood drive activity, Breast Cancer Awareness Project, blood drive activity under the 'Giving More...Receiving More Project', and Pan Kan: 'Turn Your Used Items into Scholarships Project', and etc.;

(3) Art, cultural, and traditional support, e.g. historical site preservation.

3. Preserving the environment: focusing on cultivation of employees' habits and conscience toward environmental preservation through related projects/activities, along with promotion of environmental impact minimization throughout our operational process.

4. Providing financial support: focusing on financial support and social aid in various cases, e.g. scholarships, disaster relief, donations to public benefit organizations, etc.

With commitment to operate the business for sustainable development, in 2018, Krungsri established the Environmental, Social and Governance Division (ESG Division), under supervision of the Corporate Strategy and Planning Group, to ensure clear and concrete operations, strategic policies, and activities under the framework of sustainable banking with integration of ESG dimensions, as well as operation of the activities in alignment with MUFG's Medium-Term Business Plan as its subsidiary. Krungsri also aims for sustainable development under both national and international standards. In early 2019, Krungsri announced an environmental disclosure statement to address global environmental issues aligned with the Sustainable Development Goals (SDGs) of the United Nations. The key message of the statement is as follows:

- Striving to protect the environment and responding to climate change is the responsibility of all human beings.
- Aiming to contribute to the realization of a sustainable society by protecting the environment in alignment with the Sustainable Development Goals (SDGs).
- Complying with applicable legislation and international agreements and responding appropriately when our operations result in environmental risks or negative impacts.
- Striving to reduce the environmental impacts of our operations, as well as actively working toward solutions to global environmental issues through our business activities.



Moreover, respect for human rights is an important issue to consider as part of Krungsri's mission toward sustainable growth and social responsibility. As a member of the world's most trusted financial group, Krungsri therefore issues a human rights disclosure statement and sets business goals in accordance with the responsibility to respect human rights throughout the organization.

In 2020, Krungsri amended and expanded the roles and responsibilities of the CSR Committee, which has changed its name to the Sustainability Committee, to formulate Krungsri and Group companies' strategy, direction, policy, and regulations regarding ESG operations or sustainable development and corporate social responsibility, with the President and Chief Executive Officer as the Chairman of the Committee.

As for disclosure on responsibility to society and the environment, Krungsri has prepared a Sustainability Report in accordance with the GRI Sustainability Reporting Standard (GRI Standard), separated from the annual report. Information on material sustainability issues is disclosed in accordance with the GRI Standard, which covers impacts from economic, environmental, and social operations. Those issues will be identified, prioritized, validated, and reviewed by the Corporate Social Responsibility Department and the Sustainability Committee every year. Moreover, Krungsri's Sustainability Report shall be endorsed by the independent auditor annually.

Krungsri has established a Policy for Efficient Resource Utilization for Environmental Protection in order to encourage conservation by mandating the efficient use of eco-friendly resources in its operations. Any materials used will be made with eco-friendly manufacturing processes and materials. In addition, Krungsri encourages its employees to recognize and participate in the use of resources with maximum efficiency and has established measures for achieving concrete results. These measures are, for

example: electricity-saving measures (e.g. energy-saving lighting and control of in-office temperature); and environmental measures (e.g. use of recycled water through wastewater treatment process for watering and cleaning). Furthermore, Krungsri promotes employees' understanding of efficient resource use and organizes energy conservation projects in which employees participate, so as to ensure their effectiveness. Krungsri also requires that executives be responsible for the management and control of their related functions within proper budgets.

Krungsri has also established a working group on energy management and its evaluators in accordance with the Building Control Act B.E. 2535 (1992) (amended B.E. 2550 (2007)) to ensure efficient energy management. The working group is responsible for the management of energy in line with the energy conservation policy, and for communicating with and requesting participation from employees to recognize the value of the resources and to save energy. It is also responsible for organizing training, giving information on and promoting activities concerning energy conservation e.g. 'Creating awareness of energy efficiency, a part of Building Energy Code (BEC)'.

Krungsri provides both in-house and external training for its employees to improve their knowledge and application of sustainable development including economic, social, and environmental sustainability by inviting guest speakers with expertise in various environment and sustainability issues which are significant to Krungsri, e.g. energy management, effluent and waste management, and ESG integration. In addition, Krungsri allows employees to participate in external training related to environment and material sustainability issues organized year-round by various organizations. The training sessions are available for both general and customized private sessions for related executives and working committees.

Details of the training as well as Krungsri sustainability practices are also disclosed in the Annual Registration Statement (Form 56-1), the Annual Report (Form 56-2) under the topic, 'Social Responsibility', and the Sustainability Report.

ANTI-FRAUD AND ANTI-CORRUPTION, AND BRIBERY PROHIBITION

Krungsri is committed to the continuous improvement and strengthening of anti-fraud and anti-corruption measures, and understands that being an organization with transparent operations and free of fraud and corruption will help build confidence among all stakeholders, and is also in line with the Good Corporate Governance Principles. Details of Krungsri



Group's policies and programs related to anti-fraud and anti-corruption efforts are shown in the Annual Registration Statement (Form 56-1), the Annual Report (Form 56-2) under the topic, 'Anti-Corruption and Counter-Bribery', and the Sustainability Report.

Krungsri has established a Policy for Anti-Corruption, and an Anti-Corruption Program whereby processes of warning and reporting, whistleblowing, and protection of whistleblowers are initiated. In this connection, Krungsri provides both employees and outsiders with easy-to-access whistleblowing channels that they can trust, and that present no risk in requesting consultation or guidance, or whistleblowing itself. When a suspect issue is reported, a committee shall conduct an investigation, provide solutions and feedback to the whistleblower (in case of an identified whistleblower), and report its findings to senior executives, the Audit Committee, and the Board of Directors.

Krungsri has established various measures, e.g. formulating policies and regulations related to giving or receiving gifts and entertainment, to ensure effectiveness and efficiency of such anti-fraud, anti-corruption, and anti-bribery efforts. In this regard, all employees are required to study compulsory courses regarding the abovementioned measures via Krungsri Learning Companion (KLC). Reports on compliance with anti-fraud and anti-corruption measures shall be submitted to the Audit Committee at least once a year, the Risk and Compliance Committee, and the Board of Directors. Efficiency of the applied measures shall be reviewed at least once every two years. Krungsri is re-certified as a member of Thailand's Private Sector Collective Action Corruption Council (CAC) from February 7, 2020, and requires all employees to sign in acknowledgement of and compliance with related policies and guidelines on an annual basis. Krungsri regularly participates in the Anti-Corruption Day with the Anti-Corruption Organization of Thailand (ACT) in order to demonstrate its ongoing support for anti-corruption efforts every year.

RESPECT FOR INTELLECTUAL PROPERTY OR COPYRIGHT

Krungsri shows respect for intellectual property by stipulating it in The Spirit and The Letter (S&L) and with a clear policy on intellectual property, requiring employees to protect patents, trademarks, copyright, trade secrets, and other information belonging to Krungsri, and to respect the intellectual property rights of others, as well as prohibiting its employees from using intellectual properties of other people without authorization.

PRACTICE 6: STRENGTHEN EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROL

THE AUDIT COMMITTEE

The Board of Directors has appointed the Audit Committee with roles and responsibilities disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic, 'Management Structure'. Moreover, the Audit Committee reports its opinion toward overall business operations. Details are shown in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic, 'Report of the Audit Committee'.

THE RISK AND COMPLIANCE COMMITTEE

The Board of Directors has appointed the Risk and Compliance Committee with roles and responsibilities disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic, 'Management Structure'. Their roles and responsibilities cover those of a risk oversight committee under corporate governance for financial institutions as stipulated by the Bank of Thailand.

The Risk and Compliance Committee shall discuss and exchange views with the Audit Committee to ensure the comprehensiveness of the risk management policies and strategies, and their effectiveness. The Risk and Compliance Committee shall evaluate the performance of the Chief Compliance Officer and the Chief Risk Officer to ensure the independency and effectiveness of performing duties regarding the regulatory unit and risk management unit of Krungsri Group. The Risk and Compliance Committee is also to report to the Board of Directors via the Audit Committee on any non-compliance issue for acknowledgement. In 2020, there were two meetings among the Risk and Compliance Committee and the Audit Committee, on June 24, 2020, and December 16, 2020.

GOVERNING RISK MANAGEMENT, INTERNAL CONTROL, AND INTERNAL AUDIT

- Krungsri has established policies and procedures for efficient governing of risk management, internal control, and internal audit to comply with relevant laws and standards.
- In the event of significant investments in other businesses, Krungsri and/or its subsidiaries should consider the results of their internal control and risk management assessments.
- Krungsri has established a clear internal audit system in line with international practice, consisting of Three Lines of Defense: the business, compliance, and internal audit units. These three units cooperate to ensure effective internal control.
- Krungsri has established an independent unit reporting to the Audit Committee, i.e. Internal Audit, which is responsible for assessing the adequacy and appropriateness of the internal control system, overseeing compliance with the system, and reporting to the Audit Committee and the Board of Directors for acknowledgement. In this regard, the Board of Directors has appointed Ms. Puntipa Hannoraseth, Head of the Internal Audit Group, to be responsible for internal audit work. Also, every appointment, transfer, termination of employment, determination of remuneration, and annual merit review for the Head of the Internal Audit Group must be considered and approved by the Audit Committee.
- The Board of Directors plays a vital role in overseeing and managing the overall risk of the organization, and has therefore appointed the Risk Management Committee to support the Board of Directors in supervising Krungsri's overall risk management in compliance with Good Corporate Governance Principles, and to provide suggestions to the Board of Directors for consideration regarding policies and procedures related to risk management, as well as the policy of a business continuity management plan. In this regard, all policies are regularly reviewed.
- The Board of Directors has established a risk appetite framework and assigned the Risk Management Committee to define levels of key risk including other risks such as information technology risk and cyber risk, and to define Key Risk Indicators (KRIs) under the Policy for Enterprise-Wide Risk Management. The Enterprise-Wide Risk Management Department is responsible for assessing, monitoring, and ensuring the appropriate risk levels via Enterprise-Wide Risk Management Framework tools. A summary of these risks is shown in the Enterprise Risk Management report, including

significant information technology incidents or problems and significant cyberattack incidents or cyber threats, which is presented to the Risk Management Committee, the Executive Committee, the Risk and Compliance Committee, and the Board of Directors, respectively.

- Krungsri discloses related details in the Annual Registration Statement (Form 56-1) under the topics, 'Internal Control and Risk Management' and 'Risk Factors', and the Annual Report (Form 56-2) under the topics, 'Internal Control and Internal Audit' and 'Risk Factors and Risk Management'.

TRANSACTIONS BETWEEN KRUNGSRI OR ITS SUBSIDIARIES AND STAKEHOLDERS

- Krungsri's directors and executives with conflicts of interest will abstain from consideration and have no right to vote on any transactions between Krungsri or its subsidiaries and any related party having either actual or potential conflicts of interest.
- Transactions are normally executed fairly on an arm's length basis and shall be considered and approved by the authorized person and/or the Board of Directors, whereby the Audit Committee will provide opinions concerning the necessity of such transactions and the propriety of the pricing, and consider the disclosure of any transaction that may incur a conflict of interest, in order to ensure its accuracy, adequacy, and transparency. However, type, value, and procedure for each transaction shall comply with Krungsri's internal rules regarding related party transactions.
- In case of a related party transaction requiring approval from a meeting of shareholders, Krungsri will disclose details and rationale of the transaction as well as opinions of the Board of Directors to the shareholders before making the transaction.
- For transactions undertaken in 2020, Krungsri released all details in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic, 'Related Party Transactions'. The details showed that such transactions were Krungsri's normal business activities and made at market value on an arm's length basis.
- In 2020, Krungsri neither violated nor failed to comply with the criteria for related party transactions as well as the sale or purchase of assets.

CONFLICT OF INTEREST OF DIRECTORS AND/OR SENIOR EXECUTIVES OF KRUNGSRI

- Directors and senior executives of Krungsri are obligated to provide reports on their own and any other related persons' conflict of interest relating to the management of Krungsri Group in terms of holding of position, shareholding, and transaction; the reporting procedures are clearly established. The reports shall be delivered to the Chairman of the Audit Committee and the Chairman of the Board for acknowledgement, respectively.
- In any meeting of the Board of Directors, the Corporate Secretary will inform the meeting before each agenda item in which directors have a related interest, and that they will neither participate in the consideration nor have any right to vote on such agenda items. As for the agenda items in which directors may have a related interest, those directors would refrain from participating in consideration of those agenda items and abstain from voting. If a director is aware that they have a related interest in any agenda item other than what has been announced by the Corporate Secretary, they will inform the meeting before moving on to that item. The information on related interest of directors in each agenda item is recorded in the meeting minutes.
- Krungsri has established a policy prohibiting the granting of any loan, loan-like transaction, or debt guarantee to its directors, senior executives, or other related persons, except loans granted in the form of credit card or loan as a part of welfare loan, in compliance with the regulations of the Bank of Thailand.

ANTI-FRAUD AND ANTI-CORRUPTION, AND BRIBERY PROHIBITION

Krungsri has established a Policy for Anti-Corruption and an Anti-Corruption Program, and encourages all employees to comply, with detailed information in Practice 5: Nurture Innovation and Responsible Business.

RECEIPT OF COMPLAINTS FROM, AND COMMUNICATION CHANNELS WITH, STAKEHOLDERS

Krungsri has set up the following communication channels to ensure that all stakeholders can ask for information, complain in case they believe their rights have been violated, or undertake whistleblowing, conveniently and quickly:

- Whistleblowing on unlawful actions or violation of the Code of Conduct, failure to provide complete financial data, the internal control system, and other matters can be made to the Audit Committee through:
  - Mail to:
    The Audit Committee or Secretary to the Audit Committee and send to
    Bank of Ayudhya PCL, Head Office
    1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
  - email: audit.committee@krungsri.com
  - Krungsri's website under the heading, 'About Us'; sub-heading, 'Receipt of Complaints'

- Whistleblowing or other enquiries can be made via
  - Call Center at 1572
  - email: webmaster@krungsri.com
  - Krungsri's website under the heading, 'Contact Us'

  As for Krungsri's employees, apart from the abovementioned channels, they can file complaints, report suspect issues regarding integrity, or take part in whistleblowing of wrongdoing or violation of the policies, rules, regulations, or Code of Conduct of Krungsri via seven channels as follows:

  1. Supervisor or next-level supervisor who is trusted by the complainant;
  2. Compliance Division;
  3. Ombudspersons: Krungsri executives who are recognized by fellow Krungsri employees and executives for their integrity, honesty, ethics, and non-discriminatory behavior;
  4. Branch Operational Risk Management Department;
  5. Human Resources Group;
  6. Audit Committee;
  7. MUFG Channel (English or Japanese language only).

Krungsri provides a clear and proper procedure and system for handling whistleblowing in which the whistleblower, complainant, or person(s) involved's information will be treated as confidential; it cannot be accessed by unrelated persons and, if necessary, shall be disclosed subject to laws or permission from the whistleblower or complainant and only to the person(s) involved.

In case of complaints received, ombudspersons will collect all data from whistleblowers or complainants and coordinate with relevant departments to examine, follow up, and report its findings to whistleblowers or complainants in case they can be identified. The findings will also be reported to the executives, Nomination and Remuneration Committee, or the Board of Directors, as the case may be. Krungsri strictly prohibits any retribution, persecution, or molestation against whistleblowers or persons involved in the examining process. Any acts of retribution will result in a severe disciplinary action, including termination of employment.

PREVENTION OF CONFLICTS OF INTEREST

- Krungsri has established a Policy for Enterprise Information Security as a guideline to manage and protect IT data of Krungsri and communicate with Krungsri's employees and non-employees related to Krungsri such as counterparties, temporary employees and vendors, and other external parties who need to use Krungsri's data, to ensure that they acknowledge such policy and abide by laws and regulations related to this policy. Relevant actions were taken under three important frameworks such as maintenance of related system and data confidentiality, integrity, and availability. Krungsri discloses related details in the Sustainability Report.

- Krungsri has established a Policy for Handling Material Non-Public Information (MNPI) and Preventing Insider Trading, requiring employees to appropriately secure information that is not yet publicly available and take any action based on the principle of the 'need-to-know' basis.

PRACTICE 7: MAINTAIN RELIABLE FINANCE AND INFORMATION DISCLOSURE

Krungsri is aware of the importance of information disclosure concerning both financial and general matters to its shareholders, investors, and the public. Consequently, guidelines for information disclosure have been drawn up whereby both financial and other information must be disclosed in Thai and English via easily accessible channels in a correct, adequate, transparent, prompt, timely, and equal manner under prescribed criteria and in compliance with the relevant laws and regulations of government authorities. This includes keeping important information up-to-date.

Krungsri regularly reviews and assesses the effectiveness of its disclosure process. In 2020, Krungsri saw no action taken or charges leveled for failing to announce significant events within the time set by regulators, nor was any information disclosed that did not comply with the requirements.

INFORMATION DISCLOSURE GUIDELINES

Krungsri has set information disclosure guidelines in accordance with related regulations of the Stock Exchange of Thailand to be used as standard practices in preparing information to disclose and/or communicate to investors, analysts, fund managers, and other parties. The guidelines are as follows:

- Information to be disclosed to investors, analysts, fund managers, and other parties must be approved and/or able to be disclosed to the public and investors through the Stock Exchange of Thailand and the Securities and Exchange Commission, Thailand;
- Krungsri will not disclose any sensitive information that may affect its reputation to investors, analysts, fund managers, or other parties, unless otherwise authorized by senior executives or until the actions related to raising such issues are complete. Such information will be thoroughly and equitably disclosed to stakeholders, investors, analysts, fund managers, and other parties;
- Regarding information disclosure related to unusual securities trading, Krungsri shall comply with the regulations prescribed by the Stock Exchange of Thailand, the Securities and Exchange Commission, Thailand, and/or other relevant authorities. Such information to be disclosed to investors, analysts, fund managers, and other parties shall be the same as that already disclosed to the Stock Exchange of Thailand, the Securities and Exchange Commission, Thailand, and/or other relevant authorities;

> **THE VISION AND MISSION FOR BUSINESS OPERATIONS OF KRUNGSRI, WHICH ARE FUNDAMENTAL AIMS AND MEDIUM- TO LONG-TERM GOALS; KRUNGSRI HAS ALSO IDENTIFIED ITS CORE VALUES WHICH ARE FUNDAMENTAL BEHAVIORS TO BUILD ORGANIZATIONAL CULTURE AND MAKE EMPLOYEES AWARE OF KRUNGSRI'S EXPECTATIONS. THIS WILL ENABLE KRUNGSRI TO ACCOMPLISH ITS VISION AND MISSION.**

- Krungsri will avoid disclosure of information such as that viewed as aiming to persuade, convince, or propagandize, for product and service marketing purposes, including unsubstantiated information aimed at creating a sense of superiority;
- Any person preparing, involved in, or with knowledge of unreleased information is not allowed to disclose or convey the same to any person closely related to them or other persons without permission from the authorized person, and such information shall be treated as confidential until the necessary permission is granted and/or such information has already been reported to the Stock Exchange of Thailand;
- Disclosure channels to the public must be suitable for each group of stakeholders, and in compliance with the rules applicable to each channel;
- Information to be disclosed by means of presentation at any press conference or analysis meeting must be reviewed and endorsed by the Chief Financial Officer, related Head of Group/Chief Officer, and/or President and Chief Executive Officer;
- The Corporate Affairs Department shall be responsible for monitoring and verifying the information disclosed via analyst reviews of securities companies, asset management companies, and other institutions related to investments. If the information is found to be incorrect, the Corporate Affairs Department, with approval from the Chief Financial Officer, shall make a clarification and provide correct information. Any analyst review with Krungsri's information shall be conveyed to the employees via Krungsriportal.net;

- The President and Chief Executive Officer and Chief Financial Officer shall be responsible for disclosing the official information of Krungsri to investors, analysts, fund managers, and other parties. If there is any question within the domain of any particular Head of Group/Chief Officer, such Head of Group/Chief Officer will be designated to act as the spokesperson of Krungsri in providing the information that has been approved by the President and Chief Executive Officer. Krungsri spokespersons must complete communications training to ensure the credibility and effectiveness of their communications;
- The Corporate Affairs Department shall be the center for handling requests for interviews and information from investors, analysts, fund managers, and other parties, and issuing proposals to the Chief Financial Officer for consideration of giving interviews and approval of information disclosure;
- Information of investors, analysts, fund managers, and other parties shall be kept in a database categorized by type (investors, analysts, fund managers, and other parties), and shall include their basic information, particularly names, addresses, and contact phone numbers, which must be updated from time to time.

INFORMATION DISCLOSURE CHANNELS

Krungsri has disclosed its information related to both financial and general matters so that stakeholders can access the information easily, thoroughly, and equally. The contents are publicized via various channels such as its website (www.krungsri.com), the Annual Report (publicized within 120 days from the end of the accounting period), quarterly performance reports, meetings with analysts and investors by varied means, press conferences, and the delivery of notification of shareholder meetings by post.

- Disclosure in the Annual Report: Krungsri discloses useful information for its shareholders as follows:

    1. Compliance with good corporate governance principles according to the corporate governance criteria and guidelines stipulated by the Securities and Exchange Commission, Thailand, the Stock Exchange of Thailand, the Thai Institute of Directors Association, and the Banking Industry Code of Conduct of the Thai Bankers' Association separated into eight practices as per the Corporate Governance Code for Listed Companies 2017 of the Securities and Exchange Commission, Thailand.
    2. The Vision and Mission for business operations of Krungsri, which are fundamental aims and medium- to long-term goals; Krungsri has also identified its Core Values which are fundamental behaviors to build organizational culture and make employees aware of Krungsri's expectations. This will enable Krungsri to accomplish its Vision and Mission.
    3. Krungsri discloses its financial status and operating performance to the stakeholders as follows:

        - Krungsri discloses its financial statements audited by a certified public accountant and endorsed by the Securities and Exchange Commission, Thailand, as being presented correctly in all material aspects in accordance with generally accepted accounting principles. In the previous year, Krungsri prepared and submitted its annual and quarterly financial statements within the prescribed timeline. The Securities and Exchange Commission, Thailand, has never ordered Krungsri to make any corrections to these financial statements.
        - Management Discussion and Analysis (MD&A): To provide information to investors for their acknowledgement and better understanding of Krungsri's performance in each quarter.
        - Krungsri's financial statements, including financial information being shown in the Annual Report of Krungsri, are produced in compliance with financial reporting standards. In this regard, Krungsri chooses to apply an accounting policy based on principles of prudence, which is consistently adhered to, and to apply appropriate projection methods. Essential information is adequately disclosed in the notes to the financial statements audited with unqualified opinions by an independent auditor. The financial statements reflect Krungsri's actual financial status and performance, and are thus of benefit to the shareholders and general investors. The 2020 financial statements were certified with an unqualified opinion by an independent auditor.

    4. Krungsri has received a number of awards which reflect its success and excellence in various aspects, i.e. corporate governance, business operations, employee engagement, innovation, and initiatives in marketing as well as brand building. Krungsri also measures customers' satisfaction via the customer satisfaction measurement scheme called the Net Promoter Score (NPS) for the purpose of tracking the interests and preferences of customers toward the Krungsri brand.

NPS serves as a channel for receiving feedback from one of the most important stakeholders of Krungsri. In 2020, Krungsri's NPS score was at 69.

5. The nature of business and competition situation, as well as important developments in terms of government authorities' regulations, the business environment, and important advancements of Krungsri relevant to its performance in each year.

6. Information on Krungsri's subsidiaries and joint ventures, types of businesses, Krungsri's shareholding in subsidiaries and joint ventures, as well as income structure.

7. Important risk factors that may affect Krungsri's business operations including credit, market, liquidity, and operational risks. Nature of each type of risk and risk mitigation are also specified.

8. The dividend payment policy as per the Bank's Articles of Association and the government authorities' regulations.

9. Roles of stakeholders whereby complaint process and communication channels with Krungsri are specified so that different groups of stakeholders can contact, ask for information, and make complaints or whistleblowing conveniently and rapidly.

10. The names of directors as of December 31, 2020, totaling 12 directors consisting of four non-executive directors, five independent directors, and three executive directors.

11. The directors' profiles such as name-surname, age, position, educational background, work experience, shareholding, and etc., as well as type of directorship, i.e. non-executive, independent, or executive director.

12. A comprehensive and transparent policy on remuneration of directors comparable to the industry, which must be approved by the AGM. Those directors who are assigned to perform additional duties as members of the committees reporting to the Board of Directors, i.e. the Audit Committee, the Nomination and Remuneration Committee, and the Risk and Compliance Committee, will receive higher remuneration corresponding to the additional work. The remuneration is disclosed on an individual basis and by each position.

13. The number of meetings of the Board of Directors and the committees reporting to the Board of Directors, and the number of meetings attended by each director.

14. Information on participation in development and training courses of directors in the previous year.

15. Information on any changes in shareholding of the directors and senior executives, showing the number of shares held at the end of the previous year and the end of current year and changes in the number of shares held during the year. The directors and executives as well as their related persons must report changes in their ownership of Krungsri's shares to the Securities and Exchange Commission, Thailand and the Board of Directors for acknowledgement.

16. Remuneration of executives which is in line with the principles and policies stipulated by the Board of Directors, as well as Krungsri's operating performance and each individual executive's performance.

17. A policy on related party transactions between Krungsri or its subsidiaries and any related party whereby significant transactions must be considered and approved by the authorized person and/or the Board of Directors. The directors and executives with conflict of interest will neither join the consideration nor vote on any transaction between Krungsri or its subsidiaries and any related party, or the one with potential for conflict of interest in the future. Krungsri discloses the related party transactions executed each year.

18. Selection and appointment of an independent auditor whose qualifications are in compliance with the regulations of the Bank of Thailand and the Securities and Exchange Commission, Thailand. The selected auditor must not be related to or have any interest with Krungsri, its executives, major shareholders, or a related party in any manner that may lead to any impact on their independence in work. Krungsri also discloses the auditor's remuneration (audit fee and other service fees).

19. Krungsri prepares a report on the Board of Directors' responsibility for financial reporting, whereby the Board of Directors is responsible for Krungsri's financial statements and the consolidated financial statements of Krungsri, subsidiaries, and joint ventures, as well as the financial information of the Annual Report, which is prepared in accordance with the Financial Reporting Standards. Krungsri always follows appropriate accounting policies together with justified projections in preparing the financial statements. Krungsri also sufficiently discloses key information in the notes to the financial statements. Krungsri's financial statements therefore reflect actual financial position and performance, which is beneficial to the shareholders and general investors.



- **Information disclosed on Krungsri's website:** Various information including financial information and important information of Krungsri that may affect Krungsri's stock price or affect the rights of shareholders that is disclosed through channels of the Stock Exchange of Thailand, information notified to shareholders, as well as information about Krungsri that will benefit shareholders and investors, all has been organized into categories on Krungsri's website. That information can thus be accessed and searched easily, and is prepared in both Thai and English, e.g. the nature of its business operations, financial statements, newsletters, shareholding structure, organizational structure, business group structure, information relating to the Board of Directors, the committees reporting to the Board of Directors and executives, investor relations information, the Bank's Articles of Association, historical annual reports, and downloadable notifications of the shareholder meetings.

- **The unit to foster relationships with investors and stakeholders:** Krungsri has established a unit to foster relationships with investors and stakeholders responsible for disclosing information, coordinating the dissemination of information, and building good relationships between Krungsri and its shareholders, investors, analysts, and other related parties.

    - Krungsri established the Investor Relations Section in 2002. Its core mission is to manage work related to investor relations, particularly the disclosure of financial and non-financial information of Krungsri, under good corporate governance which is in line with related disclosure policies and relevant laws. This section is also responsible for the disclosure of information related to Krungsri Group, including comparisons of financial performance and position, current operations, and competitiveness. In 2018, Krungsri established the Environmental, Social and Governance Division and transferred the Investor Relations Department to report directly to this division, to create confidence and foster good relationships with investors, analysts, fund managers, credit rating agencies, correspondent banks, and other relevant organizations in order to reflect the intrinsic value of Krungsri's securities while creating value-added. In July 2020, the Investor Relations Section was elevated and renamed to the Corporate Affairs Department with the responsibility to disclose information, support, and foster good relationships with shareholders, investors, and analysts, in order to reflect long-term intrinsic value of Krungsri's securities and create confidence among investors.

Krungsri employs effective communication tools and channels in disclosing important information such as details related to significant strategies, strategic developments, and information that may affect Krungsri's stock price. These communication channels include electronic communication to the stakeholders. The Corporate Affairs Department also provides historical financial information on a quarterly basis, which is regularly updated so that investors and other persons interested in Krungsri's financial information can download it from Krungsri's website under the Investor Relations topic (https://www.krungsri.com/en/investor-relations/financial-information/

krungsri-timeseries-sheet). Also, the Corporate Affairs Department continuously delivers updated news such as operating performance reports and other key developments of Krungsri to investors, so that they always have the latest information. Communication channels with a contact person are also disseminated on Krungsri's website.

Contact Information:
Corporate Affairs Department
Bank of Ayudhya PCL, Head Office, 17th Floor,
1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
Tel.: 0-2296-2977 Fax: 0-2683-1341
email: irgroup@krungsri.com

- **Major stakeholders:** Shareholders, investors, employees, securities analysts, and credit rating agencies, both domestic and abroad.

- **Number of activities and scope of responsibility of the Corporate Affairs Department:** These two elements have become far more developed and cover a wider scope since Krungsri became a subsidiary of Mitsubishi UFJ Financial Group (MUFG). The Corporate Affairs Department communicates Krungsri's increasing business potential to its stakeholders in addition to meeting with MUFG's investor relations team to share their experience and discuss practical guidelines for information disclosure and investor relations activities.

- **Engagement by senior executives:** In both planning and participating in investor relations activities, is an essential factor in reinforcing the effectiveness of two-way communication with the stakeholders. The senior executives meet with investors both at home and abroad to exchange perspectives on business development, strategy, and trends.

  Amidst the COVID-19 pandemic, Krungsri has pressed ahead with investor relations activities by the Corporate Affairs Department through meeting arrangement to communicate with investors and analysts via video conferencing, one-on-one and group, and participating in domestic and international conferences. Such activities also reflect how investors, securities analysts, and analysts from credit rating agencies are enthusiastic about and interested in Krungsri, which is recognized as the leader in retail banking and a member of MUFG. In 2020, the President and Chief Executive Officer, the Chief Financial Officer, the Chief Strategy Officer, and the Executive Vice President and Head of the Environmental, Social and Governance Division participated in investor relations activities as follows:

  - The Corporate Affairs Department organized an analyst briefing, where the President and Chief Executive Officer and the Chief Financial Officer announced the Bank's 2020 business direction along with key business strategies to upgrade digital platforms and innovation capacities for a greater customer experience.

  - The Corporate Affairs Department organized another analyst briefing via video conferencing for analysts, fund managers, and credit rating agencies, whereby the Chief Financial Officer shared the Bank's financial and operating results for the first half of 2020, as well as the business outlook for the latter half of 2020. Meanwhile, the Head of the Research Division and Chief Economist shared his views on Thailand's economic outlook and policy rate trend.

  - The Head of the SME Banking Group had a meeting with institutional investors via video conferencing on the perspective of SMEs in Thailand before and after the COVID-19 pandemic.

  - The Chief Information and Operations Officer, along with senior executives from Siam Commercial Bank and TMB Bank, as well as analysts from Moody's, joined a panel discussion titled, 'Inside ASEAN 2020: the Thai Banking Sector', which was held by Moody's Investors Service Inc. The participating executives also shared how Thai banks have proven resilient in the face of the COVID-19 impacts, how they are coping with a lower-for-longer interest rate environment, and digital technology trends for the Thai banking sector.

  - The Executive Vice President and Head of Environmental, Social and Governance Division joined a panel discussion along with executives from leading global financial institutions at the 'ASEAN Investor Relations Forum 2020' convened by Bloomberg LP via video conferencing.

  - The Executive Vice President and Head of Environmental, Social and Governance Division attended a meeting with Japanese investors, sharing an overview of Krungsri's business operations via video conferencing.

  - The Executive Vice President and Head of the Environmental, Social and Governance Division participated in a panel discussion titled, 'Social Bonds: Basic Concepts and Market Development', convened by the Asian Development Bank via video conferencing. Other panelists included senior executives from leading organizations, namely the Philippines' Securities Exchange Commission, the International Capital Market Association, and SMBC Nikko Securities.

Major investor relations activities in 2020 are summarized below:

Type of Meeting	Number	Number of Companies	Number of Participants
Company visits with investors/analysts	3	3	9
Conference calls/Video conferences	14	26	34
Participation in international and domestic conferences/meetings	3	35	40
Meeting with securities analysts *	2	58	69
Meeting with credit rating agencies for Krungsri Group **	3	4	13
Site Visit	1	1	4
Press conferences	10	425	534
Press release on financial position of Krungsri	4	-	-

Remarks: * President and Chief Executive Officer and Chief Financial Officer participated.

** Chief Financial Officer and Chief Risk Officer, and Chief Strategy Officer participated.

- **Information reported to the Board of Directors and senior executives of Krungsri:** In order for the Board of Directors and senior executives of Krungsri to receive adequate, appropriate, and timely information, the Corporate Affairs Department follows up on Krungsri's operating performance and other factors related to Krungsri's business operations for regular reports to the Board of Directors and senior executives, and reports on comments and viewpoints of securities analysts, important developments that may impact Krungsri's stock price, as well as analyses of appropriate shareholding structure. In addition, the Corporate Affairs Department reports on its activities (participation in meetings and conferences with local and foreign investors) and related plans to the Board of Directors on a quarterly basis.

PRACTICE 8: ENCOURAGING PARTICIPATION AND COMMUNICATION WITH SHAREHOLDERS

POLICY AND PROTECTION OF SHAREHOLDERS' RIGHTS

Krungsri recognizes and put emphasis the equal rights of all shareholders, and commits no actions that would violate or deprive the shareholders of their rights or limit their access to vital information about Krungsri. Shareholders can access Krungsri's information via the Stock Exchange of Thailand's disclosure channels as well as Krungsri's website, under the heading 'Investor Relations', which contains updated operating performance, shareholders' and investors' information, opportunities for shareholders to exercise their rights, as well as Krungsri's activities.

Krungsri encourages its shareholders to exercise their basic legal rights including but not limited to the right to purchase or sell shares, to participate in and vote at shareholder meetings, to receive profits/dividends, and the right to equitable treatment in share buybacks (if any) and to take part in decision-making on issues stipulated by law and those affecting Krungsri's business direction, such as deciding directors' remuneration, amendments to the Articles of Association or Memorandum of Association, capital increase or a decrease of shares, approval of significant agenda items and business acquisitions where the price appraisal is done by an independent party.

In addition, Krungsri's current shareholder structure has no cross or pyramid shareholding among Krungsri Group.

EQUAL TREATMENT OF ALL SHAREHOLDERS

All shareholders are regarded as the owner of Krungsri. Thus, Krungsri places importance upon and upholds this as a governance policy to treat shareholders equally, whether they are minority, majority, or foreign shareholders. Also, Krungsri equally protects shareholders' rights regardless of gender, age, nationality, religion, political opinion, or physical disability.

MEETINGS OF SHAREHOLDERS

Due to the situation of the COVID-19 pandemic, the Annual General Meeting of Shareholders 2020 (the AGM) No. 108 was postponed from the previously scheduled date (April 23, 2020) to July 30, 2020. Krungsri held the AGM in compliance with the Bank's Articles of Association, relevant regulations, and applicable laws, and in line with the quality assessment principles of the AGM Checklist, the good corporate governance standard designated by the regulators, as well as the criteria for survey and assessment of good corporate governance of Thai listed companies based on the ASEAN CG Scorecard. Moreover, there were preventive measures and guidelines for the meeting following COVID-19 regulations and measures issued by relevant authorities and agencies.

However, on account of the initial postponement of the AGM, the agenda items were delayed in receiving approval from the shareholders' meeting, including the consideration and approval of Profit Allocation from the Performance of the Year ended December 31, 2019, and Dividend Payment. Therefore, the Board of Directors resolved to pay an interim dividend for the six-month period ended December 31, 2019, to the ordinary shareholders on April 23, 2020, instead. Therefore, at the AGM held on July 30, 2020, there was no proposal on 2019 dividend payment for approval.

The conduct of the meeting under preventive measures and guidelines following COVID-19 regulations and measures for the sake of the shareholders' health and safety and to maintain social distancing can be summarized as follows:

- The minority shareholders were entitled to propose agenda items and nominate qualified persons to be elected as the directors, three months prior to the end of the fiscal year (September – November 2019). The criteria, procedures and methods for exercising such rights were posted on Krungsri's website. The shareholders were informed at the AGM that no shareholder had proposed any agenda or nominated any person for director election.
- The notification of the AGM was published in both Thai and English and dispatched by post together with the Annual Report using QR Code, 29 days prior to the AGM date. It was also disseminated on Krungsri's website more than 37 days prior to the AGM date, giving the shareholders adequate time to study the information.
- Request Form for a hard copy of an Annual Report 2019/ Making Enquiry in Advance: Shareholders were asked to submit their questions concerning Krungsri or AGM agenda items requiring replies at the AGM, including a request for a published Annual Report. This request form was attached to the notification of the AGM; shareholders could download the form on Krungsri's website.
- The notification of the AGM was posted at the Head Office and all Krungsri branches 14 days prior to granting rights to attend the shareholders meeting, and advertised for three consecutive days in newspapers more than three days prior to the AGM date.
- The notification contained clear information on the date, time, venue, and details of the agenda items which clearly indicated the purpose of requesting either acknowledgement or approval. The details of agenda items comprised sufficient facts and reasons, together with adequate and precise opinions given by the Board of Directors and relevant committees, as supporting information for consideration. In addition, there were details on the registration process and a list of documents to be presented to Krungsri's officers in accordance with rules and regulations stipulated by the regulators prior to attending the AGM, both in person and by proxy, as well as practice guidelines for the meeting, the Bank's Articles of Association in the part relating to the meeting of shareholders, voting, and counting of votes, a map of the meeting venue, as well as details of preventive measures and guidelines for the meeting, etc.
- Krungsri neither added any agenda item nor changed any significant information in the notification of the AGM without prior notice to the shareholders.
- The proxy form was prepared as prescribed by the Ministry of Commerce and enclosed with the notification of the AGM. In case a shareholder wanted another person to be present and vote at the meeting on their behalf, they could use the proxy form to make their vote. Krungsri also provided stamp duty. Moreover, Krungsri clearly indicated a list of required documents and procedures with simple conditions for proxy appointment under the guidelines of the relevant regulators. Two independent directors were nominated as options for the shareholders to appoint as their proxies, whereby their brief profiles were also provided.

- In appointing a proxy to a director who may be a stakeholder in any agenda item, if the shareholder did not mark any resolution to vote, that proxy director would not vote for that agenda item. But if a shareholder gave a proxy to any other person, that person would have the right to attend and vote in the same way as the shareholder in all respects.
- Krungsri set the date, time, and venue of the meeting, taking into account the convenience of shareholders' meeting attendance, whereby it appropriately supported and facilitated all shareholders including institutional shareholders in exercising their rights to participate in the meeting and vote, or authorize a proxy to participate and vote on their behalf. The AGM was convened at 14.00 hrs. at Krungsri's Head Office, which is a convenient site, and Krungsri made no attempt to prevent shareholders from communicating with each other.
- Krungsri arranged seats in the meeting room spaced in accordance with social distancing measures, causing the number of seats in the meeting room to be limited. Krungsri arranged another reserve seating in the canteen area to be opened with CCTV linkage from the main room.
- For shareholders who wanted to attend the meeting in person, shareholders could register for participation at least two hours prior to the meeting time; Krungsri arranged for four registration counters at which the shareholders who attended the AGM in person could present either their ID card, civil servant/state enterprise officer ID, driving license or passport. After the meeting was duly convened, shareholders were entitled to register to exercise their rights to vote on agenda items for which resolutions had not yet been passed. The shareholders who had already registered received ballots to exercise their voting rights on each agenda item.
- Krungsri encouraged cooperation from shareholders to appoint Krungsri's independent directors as shareholder proxies instead of attending the meeting in person. Shareholders could watch the live broadcast of the meeting through electronic means provided by Krungsri.
- Investor Relations Officers were assigned to coordinate, provide information to, and answer questions from the investors and shareholders.
- For the agenda item on election of directors, voting was made on individual directors being nominated, whereby their brief profiles i.e. name-surname, age, educational background, working experience, and positions in other companies separated by listed and non-listed companies were provided, together with information on selection criteria and procedures, types of directors, shareholding of Krungsri's securities, the number of Board meetings they attended in the previous year, appointment date, and other information useful for shareholders' consideration was also provided as per the regulations. In addition, before consideration of this agenda item, the directors who retired by rotation and were nominated for re-election left the meeting room, and returned to the meeting only when subsequent agenda items arose, so that the shareholders could discuss and cast their votes independently. In casting votes, ballots from all participating shareholders were collected.
- For the agenda item on directors' remuneration, the policy and criteria for consideration were specified, the amount and each type of remuneration i.e. remuneration, attendance fee, and other annual compensation. Other benefits, i.e. rights for medical fee, annual health check and company car, are in accordance with the Bank's regulations, as well as remuneration for the committee members reporting to the Board of Directors.
- For the agenda on auditor appointment and auditor fees, details of nominated auditor(s) to be appointed/ reappointed, including companies they are working for, their work experience, competence, independence, number of years serving as Krungsri's auditor, audit and non-audit fees, and other relevant and necessary information as per the regulations, were provided for the shareholders' consideration.
- The meeting was legally held via the e-meeting format, whereby the Bank completely performed each process according to the law, and technology was applied to the shareholders' meeting. The standardized barcode system was applied to facilitate the registration and vote count process, providing the ability to calculate and present accurate and instant results.
- Those attending the AGM included the directors and the chairman of every committee reporting to the Board of Directors. The latter comprised the Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee, the Chairman of the Risk and Compliance Committee, and the Chairman of the Executive Committee; three foreign directors attended the Meeting through video conferencing since they are overseas residents and were unable to be present at the Meeting room as a result of the COVID-19 pandemic. However, the Chairman of the Board introduced all directors individually, and introduced the auditors of Krungsri and representatives from Allen & Overy (Thailand) Co., Ltd., the law firm serving as the meeting's inspector to ensure compliance with laws and regulations and inspect the vote count, as well as

a delegate from the Thai Investors Association, whom Krungsri invited to join the AGM as an observer.

- Krungsri arranged for all senior executives to attend the meeting via video conferencing from sub-meeting rooms of Krungsri's Head Office and Krungsri's Ploenchit Office, where they could listen to and answer questions from the shareholders throughout the meeting.
- The Corporate Secretary invited two shareholders to observe the vote count in Agenda 6: The Election of Directors; it appeared that no shareholder volunteered. Therefore, she asked the inspector to observe the vote count at the vote counting area.
- Before the meeting, the Chairman of the Board assigned the Corporate Secretary to announce the number and percentage of the shareholders participating in the AGM, both in person and by proxy, and explained the criteria and procedures for meeting, vote casting, and vote counting. Before voting on each agenda item, all shareholders and proxies were entitled to express their opinions or raise questions about either the agenda item under discussion or Krungsri, independently. This year, Krungsri prepared a question paper for shareholders to write their questions or opinions instead of using a microphone.
- For each agenda item, after the vote counting, the results including approval, disapproval, abstention, no right to vote (except for agenda items that required approval by majority vote from the shareholders who attended and cast their votes), and voided ballot were announced to the meeting. Krungsri allocated sufficient time for the meeting.
- Currently, Krungsri has one type of share, i.e. common share. One share is equal to one vote, and a majority vote is required unless otherwise specified by law. The shareholders with specific conflicts of interest on any agenda item were not permitted to vote on that item, except for the agenda item of director election. For that item, the Bank's Articles of Association state that the nominated directors and shareholders who are nominated have the right to vote.
- For Krungsri's shareholding structure, none of the directors hold more than 25 percent of the registered and paid-up common shares.
- Krungsri video recorded the entire meeting and disseminated the meeting on Krungsri's website.
- On the same day as the AGM, Krungsri conveyed a summary of the meeting resolutions and the voting results for each agenda item to the shareholders and the public via the Stock Exchange of Thailand's disclosure channels. The results of the votes were posted on Krungsri's website on the following business day. Additionally, Krungsri sent a notice on the appointment of director by proxy and a thank you letter from the proxies to all shareholders for exercising their rights and entrusting the directors as their proxies.
- Krungsri prepared accurate, complete, and comprehensive minutes of the AGM, with the name list and titles of the directors and the senior executives who attended, or did not attend, the meeting. The minutes also specified the inspector as volunteer to inspect the vote count, methods of vote casting, and vote counting, as well as the use of ballots, opinions of the Board of Directors on each agenda item, summary of questions and answers, important observations and suggestions of the shareholders, and meeting resolutions on an item-by-item basis, together with the voting results for each agenda item, which were clearly separated into approval, disapproval, abstention, no right to vote (except for items that required approval by majority vote from the shareholders who attended and cast their votes), and voided ballot. The draft minutes were presented to the Chairman of the Board and independent directors for review before being submitted to the Chairman of the Board for sign-off, and then sent to the relevant government authorities within 14 days after the AGM date. Furthermore, the minutes were also disseminated on Krungsri's website.

CORPORATE GOVERNANCE FOR COMPANIES IN THE FINANCIAL BUSINESS GROUP

Krungsri has regulatory mechanisms in place for supervising and overseeing the operations of companies in the Financial Business Group across the Krungsri Group in order to maintain its best-in-class standards of corporate governance. In this regard, the Bank assigns relevant executives to be company directors in the Bank's financial business group to supervise business operations, plans, and annual budgets, under which important transactions as stipulated by regulatory requirements and the Bank's policies must be proposed to the Bank for approval before taking any action. The Bank monitors the operation of companies in the Financial Business Group through monthly operational reports submitted to the Bank and reported to the Bank's Board of Directors.

> THE BANK STRONGLY BELIEVES THAT STAKEHOLDER CONFIDENCE IS KEY TO ACHIEVING A SUSTAINABLE BUSINESS GROWTH. THEREFORE, THE BANK MUST OPERATE ITS BUSINESS ON THE BASIS OF HONESTY, TRANSPARENCY, AND AUDITABILITY. IF THE BANK'S PERSONNEL WERE TO SEEK ILLICIT BENEFITS BY USING THE BANK'S OR ITS CUSTOMERS' INSIDER INFORMATION, SUCH ACTION WOULD NOT ONLY VIOLATE THE LAW BUT ALSO BREACH THE BANK'S INTERNAL RULES AND REGULATIONS.

The Bank has clearly established procedures and practices for the nomination of candidates for the position of directors of companies in the Bank's Financial Business Group. According to the procedures, the Bank shall nominate qualified executives of the Bank for appointment as directors of companies in the Financial Business Group to ensure that business operations of these companies are in alignment with the Bank's business directions, strategies, and policies, as well as in compliance with relevant laws and regulations. In so doing, executives of Krungsri Group who are fully qualified according to regulatory requirements will be nominated for consideration of suitability by the Nomination and Remuneration Committee as well.

As for managing directors of companies in the Financial Business Group, after the Bank's Board of Directors grants endorsement, the Secretary of the Nomination and Remuneration Committee shall proceed to ensure that a letter is submitted to related government agencies in accordance with laws and regulatory requirements to request endorsement for the appointment. The Secretary of the Nomination and Remuneration Committee shall inform companies in the Bank's Financial Business Group of the resolution of the Bank's Board of Directors and the endorsement granted by the Bank of Thailand (as the case may be) for further action.

Roles and responsibilities of directors of companies in the financial business group are clearly stated to ensure that operations are carried out in compliance with the law and are consistent with the companies' code of conduct and good corporate governance principles. The directors of companies in the Bank's financial business group shall consider and approve significant matters of the companies as stipulated by law, Articles of Association, and the Bank's direction. In addition, directors must ensure the establishment of policies and procedures important for the companies' operations, and supervise management's effective and efficient implementation of the policies for the benefit of the companies and their shareholders. The Bank disclosed information regarding the related party transactions under Section 7.26 of notes to the consolidated financial statement and the Bank's financial statement for the year ended December 31, 2020.

In case that the Bank and companies in the Financial Business Group conduct related party transactions, such transactions – according to the Bank's guidelines – must be conducted with the same conditions as applied to other customers and through a screening process approved by authorized persons in strict compliance with regulatory requirements and the Bank's regulations. The allowance for expected credit loss/allowance for doubtful accounts policy complies with the same Bank of Thailand regulations as those granted to other debtors. The details can be found in the Related Party Transactions Section.

The Bank recognizes the importance of internal controls over the Bank's Financial Business Group. Each company is required to maintain an adequate internal control system. This should encompass the business functions unit, supervisory units, and the internal audit function to ensure effectiveness in promoting proper business operations in compliance with good governance principles. It also contributes to the risk management system and allows managers to formulate viable business strategies to achieve the Bank's goals. Details can be found in the Internal Control and Internal Audit System sections.

POLICIES AND MEASURES RELATED TO THE USE OF INSIDER INFORMATION

The Bank strongly believes that stakeholder confidence is key to achieving a sustainable business growth. Therefore, the Bank must operate its business on the basis of honesty, transparency, and auditability. If the Bank's personnel were to seek illicit benefits by using the Bank's or its customers' insider information, such action would not only violate the law but also breach the Bank's internal rules and regulations. Accordingly, the Bank has stipulated the use of insider information as one of its key prohibitions in 'The Spirit & The Letter: S&L', which must be strictly adhered by directors, executives, and staff members of the Bank. The Bank's personnel at all levels are obliged to electronically sign the Bank's e-acceptance of the requirement on a yearly basis in order to remind them to be aware of the importance of strict compliance with the principle of refusal to seek illicit benefits for themselves or the Bank by using the Bank's or its customers' insider information.

An official ceremony in which the President and Chief Executive Officer of the Bank signs the S&L is also held to establish the tone from the top. In addition, there is a compulsory S&L course in the e-learning platform that all staff and executives must pass the test at the end of the course with a minimum score of 75 percent. Refresher courses must also be taken and passed every two years.

Regarding supervision, the Bank requires employees in functions that may be privy to insider information to report their holdings of securities, and assigns the compliance function to review these holdings to determine whether there has been any use of insider information in the trading of securities, in violation of the law and internal rules and regulations of the Bank. As a preventive measure, the Bank also prohibits its directors and staff from trading shares issued by the Bank during a period of three working days prior to and after the announcement of the Bank's performance or financial statements (the blackout period). The Bank's staff and executives are also required to hold the shares issued by the Bank for a period of not less than three months. In certain circumstances, the Bank may prohibit certain groups of staff (restricted persons) from trading the Bank's shares.

Moreover, the Bank requires functions involved in certain types of transactions related to sensitive information, such as merger and acquisition transactions, to check for conflicts of interest prior to establishing business relationships. In any case where a potential conflict of interest exists, various measures as specified by the Bank must be enacted, such as establishing an 'Information Wall' to prevent disclosure of information that may cause any advantages or disadvantages in conducting these transactions, classifying documents as confidential, keeping an email control log, etc.

Based on the various aforementioned measures, the Bank firmly believes that educating its staff members and executives in parallel with auditing and employing preventive measures, together with introducing modern technologies, will foster awareness among all staff and executives and ultimately bring about a strong compliance culture. The Bank also believes that application of the sustainable growth concept will effectively reduce both compliance and reputation risk, while enhancing the Bank's credibility as well as creating a positive reputation and ultimately satisfaction among customers and Bank stakeholders.

INTERNAL CONTROL AND INTERNAL AUDIT

INTERNAL CONTROL SYSTEMS

Krungsri recognizes the importance of internal controls and has adopted the Three Lines of Defense model—an international governance standard involving the business function, the compliance supervision function, and the internal audit function. The three functions collaborate through work processes and controls applicable to each line of defense to ensure that we practice good governance and apply effective internal control principles based on the COSO (the Treadway Commission's Committee of Sponsoring Organizations) Internal Control Integrated Framework, consisting of five key components:

- **Control Environment:** The organizational structure is aligned with the Bank's business operations; duties are segregated to achieve checks and balances; scopes of authority are clearly defined; and integrity and professionalism are emphasized.
- **Risk Assessment:** Opportunities and impacts associated with possible incidents that could hinder the attainment of our goals are assessed to determine risk management and control measures.
- **Control Activities:** The Bank has established well-defined policies and procedures, effective resource maintenance and utilization processes, segregation of duties, and operational reviews.
- **Information and Communication:** The Bank has implemented information and communication systems that ensure timely actions as well as reliable and accurate financial records and reporting.
- **Monitoring Activities:** Continuous monitoring and assessments are conducted to ensure appropriate and effective risk management.

The Bank complies with the Sarbanes-Oxley Act (SOX), including US-SOX of the United States and J-SOX of Japan. The SOX laws include applying COSO internal control principles focused on Internal Control over Financial Reporting (ICFR) of each business unit in the Bank to be aligned with MUFG's requirements.

INTERNAL AUDIT FUNCTION

The internal audit function assesses the adequacy and appropriateness of internal controls for operational processes and work systems, and for Krungsri Group as well as outsourced activities. In addition, the Internal Audit function participates in reviewing the evaluation of effectiveness of the Internal Control over Financial Reporting (ICFR) to be aligned with MUFG's requirements. The Internal Audit Group performs its duties independently and reports directly to the Audit Committee comprising independent directors. (Internal auditors are not involved in our day-to-day business operations).

INTERNAL AUDIT GROUP RESPONSIBILITIES AND GOALS

1. ASSURANCE SERVICE

The annual audit plan is formulated using a risk-based approach including discussion with senior executives, and external auditors are considered and approved by the Audit Committee. During the year, there was a follow-up on emerging risks; such data was used to amend the audit plan on a regular basis.

As regards the internal audit process, technology was used and integrated with the audit operation (integrated audit) in order to enhance audit efficiency. Furthermore, audit software was employed to assist in management of auditing work such as audit planning, resource allocation, recording and storage of audit data, and follow-up on the progress of audit finding rectification through the e-Audit Tracking System, where the audited functions could monitor the progress on a real-time basis. Furthermore, data analytics tools were used for in-depth analysis and verification of the actions of individuals and groups.

2. CONSULTING SERVICE

In addition to annual audits, the Internal Audit Group advises on the implementation of internal controls for diverse business units. The Internal Audit Group has also developed a cooperative relationship with the Branch Operational Risk Management Department, the Fraud Management Division and Risk Management functions—considered the second line of defense—to continually monitor risks arising from the Bank's operations.

3. PERSONNEL DEVELOPMENT

The Bank's auditors are given in-house and external training, including professional training courses and certified courses on internal auditing as well as training courses on business knowledge, product knowledge, fraud risk, and new trends and innovations in digital technology that are important to today's banking business, such as artificial intelligence, machine learning, agile methodology, blockchain, big data, cloud computing, and data science. Hence, audit officers are regularly required to pass a knowledge test which relates to new rules and regulations through an online quiz. With regards to new auditing tasks or issues that are particularly complicated, the Internal Audit Group may consider hiring external consultants to participate in such auditing operations to share knowledge and enhance auditing competency. In order to meet international standards, the Audit Group also learned and applied MUFG's audit methodology, such as the guidelines on risk assessment to establish an annual audit plan and end-to-end internal audit process.

4. AUDIT QUALITY CONTROL AND IMPROVEMENT

To control and improve audit quality, the Internal Audit Group has employed several approaches such as supervisor evaluation of each audit task, including a post-audit satisfaction survey of the auditee. Furthermore, audit quality is regularly reviewed by an independent functional unit and external quality assessment that is performed by an external consulting firm to comply with the international internal audit professional standards. The latest overall assessment results revealed that internal audit activities generally conform to the International Internal Audit Standards promulgated by the Institute of Internal Auditors (IIA), while aiming for continual improvement to achieve "best-in-class" in overall practices. As a subsidiary of MUFG Bank, the Audit-on-Audit process was conducted by MUFG's Internal Audit and Credit Examination Division to provide additional recommendations on our audit practices. To supervise internal audit units of companies in the Financial Business Group, the Internal Audit Group has conducted the Audit-on-Audit for subsidiaries' internal audit units to ensure common internal audit guidelines which are in accordance with those of the Financial Business Group.

5. ADDED VALUE

To achieve our business targets using good governance and effective internal control principles, the Internal Audit Group arranged the Control Black Belt (CBB) program with the objective of strengthening the internal control process to ensure efficiency through training, testing, and presenting the project among participants from other functional units. The Internal Audit Group developed an e-Learning program, Internal Control Framework under COSO Principles, as a basic compulsory training course

to be completed every two years by all employees. The Internal Audit Group has operated an ongoing monitoring process to continuously monitor risks relating to operations and business units, thus ensuring a timely response to significant risks. In addition, continuous audit using data analytics was regularly performed to identify risks and faults occurring during business processes, and there was coordination with relevant units to rectify such events in a timely manner. There is also Risk Awareness and Response Assessment (RARA) to promote risk awareness and effectiveness of the Bank's risk management.

SUMMARY OF IMPORTANT ACTIVITIES OF THE INTERNAL AUDIT GROUP IN 2020

Given the impacts of the COVID-19 pandemic on the Bank's operations, the internal audit business units have closely monitored and assessed the potential risks arising from changing operations of diverse business units and adjusted audit methods in accordance with such risks. In addition, meetings via Microsoft Teams have been added as a new communication channel, while some operations have been switched to working from home.

The Internal Audit Group developed the RPA (Robotic Process Automation) project to improve the auditing process by using automation to replace the human workforce. Also, the agile concept was applied in the pilot audit projects. To align with international practices, MUFG's audit methodology was also implemented, such as the Management Self-identified Issue (MSII) process, added for the management of the responsible business units before starting the actual audit process, the results of which can be used for the Risk Awareness and Response Assessment.

In 2020, the Internal Audit Group took part in the Bank's acquisition process, by conducting an analysis of the acquired company's internal audit methodology.

As regards promotion and support for auditors to obtain professional certificates, in 2020, the Bank had a total of 113 auditors who had received a total of 162 audit certificates, increasing by five auditors and seven certificates compared to 2019. Additionally, the Internal Audit Group arranged for audit quality assessment performed by leading consulting firms.

HEAD OF INTERNAL AUDIT GROUP

The Bank's internal audit function is under the supervision of Ms. Puntipa Hannoraseth, First Executive Vice President and Head of Internal Audit Group.

Academic degrees and certificates

- Master of Business Administration, Thammasat University
- Bachelor of Accounting (First Class Honors), Thammasat University
- Certified Public Accountant (CPA Thailand)
- Certified Internal Auditor (CIA), and
- Advanced Audit Committee Program Certificate

Relevant work experience: Bank of Ayudhya PCL

- Apr 1, 2013 – Present: First Executive Vice President
- Sep 16, 2010 – Present: Secretary to the Audit Committee
- Apr 27, 2009 – Present: Head of Internal Audit Group
- Jan 7, 2015 – Apr 15, 2017: Acting Head of Internal Audit Division
- Jan 7 – May 6, 2015: Acting Head of Credit Examination Division

Training

- Global Leadership Program, International Institute for Management Development (IMD)
- Audit Committee Program (ACP)
- Monitoring the Internal Audit Function (MIA)
- Monitoring Fraud Risk Management (MFM)
- Monitoring the Quality of Financial Reporting (MFR)
- Monitoring the System of Internal Control and Risk Management (MIR)
- Thai Institute of Directors Association: Company Secretary Program

Appointments, transfers, employment termination, remuneration, and annual merit payment consideration for this position are evaluated and endorsed by the Audit Committee.

HEAD OF COMPLIANCE DIVISION

At present, the Bank's Compliance Division is under the supervision of Mr. Saengchart Wanichwatphibun, Chief Compliance Officer, Executive Vice President.

Academic degrees and certificates

- Master in Marketing (MIM8): Thammasat University
- Master of Applied Finance: Monash University, Melbourne, Australia
- Bachelor of Science, Business Administration, Option in Accounting: University of California, Los Angeles, USA

Relevant work experience

- May 2020 – Present: Bank of Ayudhya PCL, Chief Compliance Officer, Executive Vice President and Data Protection Office - Compliance
- Jan 2020 – Present: Bank of Ayudhya PCL, Compliance Committee Chairman
- Jan 2020 – Present: Bank of Ayudhya PCL, Partnership Strategy Committee Member, Sustainability Committee Member
- Aug 2015 – May 2020: Bank of Ayudhya PCL, Chief Compliance Officer, Executive Vice President
- 2015 – Present: Bank of Ayudhya PCL, Risk and Compliance Committee Secretary, Fraud Management Committee Member, Data Governance Committee Member
- 2007 – Present: Bank of Ayudhya PCL, Compliance Committee Member and Secretary
- 2007 – 2015: Bank of Ayudhya PCL, Risk Management Committee Member
- May 2013 – Jul 2014: Krungsri Asset Management Co., Ltd., Director
- Nov 2008 – Aug 2015: Siam Realty and Services Co., Ltd., Director
- Feb 2006 – Jul 2007: BNP Paribas, Head of Compliance
- Sep 2005 – Jan 2006: GE Money Retail Bank, Assistant Vice President (Compliance)
- Sep 1996 – Aug 2005: Bank of Thailand, Senior Analyst
- Jan 1995 – Aug 1996: The Sakura Bank, Credit Officer

Trainings

- 2020: MUFG Global Leaders Forum (GLF) by International Institute for Management Development (IMD Business School) in Lausanne, Switzerland
- 2019: Training Course for Head of Compliance (refresher course) by The Thai Bankers' Association and The Thai Institute of Banking and Finance Association
- 2018: Krungsri TRANSCEND Program for senior executives by Harvard Business School
- 2015: Training Course for Head of Compliance (refresher course) by The Thai Bankers' Association and The Thai Institute of Banking and Finance Association
- 2014: Future Leader for Future Business for EVP by Assumption University (ABAC)
- 2014: Advanced Audit Committee Program (AACP) by Thai Institute of Directors Association (IOD)
- 2013: Anti-Corruption for Executive Program (ACEP) by Thai Institute of Directors Association (IOD)
- 2013: Training Course for Head of Compliance (class 1) by The Securities and Exchange Commission (SEC) and Thai Bankers' Association (TBA)
- 2010: Director Accreditation Program (DAP) by Thai Institute of Directors Association (IOD)
- 2008: Certified Compliance Officer by American Academy of Financial Management (AAFM)

COLLECTIVE ACTION COALITION AGAINST CORRUPTION (CAC)

Krungsri Group upholds the Anti-Corruption Policy and Program with integrity, transparency, and auditability in our business practices. In addition to other entities within the Krungsri Group, Bank of Ayudhya was one of the commercial banks certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption, on October 8, 2013, and was certified for the third time on February 7, 2020. This confirms our determination to counter all forms of corruption and bribery in accordance with our Anti-Corruption Policy and Program, a document which serves as business practice guidelines toward sustainable business undertakings. All Krungsri Group directors, executives, and employees must sign and observe a binding agreement to adhere to our anti-corruption efforts, with disciplinary action taken against those violating these provisions.

In addition, employees and executives must enroll in the anti-corruption practice training via a compulsory e-learning course on a bi-annual basis. Anti-corruption campaigns in the form of short films, posters, and activities have been deployed to promote and reinforce the importance of staff performing their duties with integrity, transparency, and auditability – the key principles of a comprehensive anti-corruption program.

More importantly, Krungsri Group also provides easily accessible whistleblowing channels. All whistleblowing leads shall be investigated to determine the facts and rectifications, which shall be reported to senior executives and relevant committees. In this regard, any whistleblower's identity would be protected. Any act of retaliation against whistleblowers is considered a contradiction of Krungsri Group's policy, resulting in disciplinary action toward those who commit such acts.

As to the contribution relating to society and the general public, on September 15, 2020, Krungsri Group executives and employees, together with the Thai Bankers' Association (TBA), the Thai Institute of Directors (IOD), and other leading organizations in Thailand, participated in Anti-Corruption Day 2020, under the 'Power of Data' theme, organized by the Anti-Corruption Organization of Thailand. Also on December 9, 2020, Krungsri executives and employees participated in the International Anti-Corruption Day (Thailand) event, based on the theme of, 'Zero Tolerance: Thailand Does Not Tolerate Corruption', organized by the Thai Government, the Office of the National Anti-Corruption Commission, the Office of Public Sector Anti-Corruption Commission, and the Anti-Corruption Organization of Thailand (ACT) as well as its anti-corruption alliance network. This represents the determination of Krungsri Group, as part of the social forces to drive and create further networks of related business partners, on a commitment to support and adhere to the Anti-Corruption Policy along with a pledge to perform duties with integrity, transparency, and auditability.



5
MANAGEMENT STRUCTURE



Krungsri's management structure consists of the Board of Directors and 4 committees reporting to the Board of Directors to assist in performing duties and to ensure supervision and control of business risks. Krungsri's operations are divided into 2 parts based on the responsibilities, namely business units and support units.

ROLES AND RESPONSIBILITIES

The roles and responsibilities of the Board of Directors and the management are clearly separated to ensure that Krungsri's operations are carried out in compliance with law and consistent with the business code of conduct and Good Corporate Governance Principles.

Currently, the Chairman of the Board is not the same person as the President and Chief Executive Officer and their responsibilities are clearly separated.

BOARD OF DIRECTORS

The Board of Directors consists of 12 directors, i.e. 4 non-executive directors, 5 independent directors (including two women), and 3 executive directors.

STRUCTURE AND COMPOSITION

In principle, the shareholders will appoint directors in an appropriate and sufficient number for performing duties. The Board of Directors shall consist of not less than 3 independent directors or at least one-third of the all directors, whichever is higher. Not less than half of all directors shall have domiciles in Thailand.

QUALIFICATIONS

The Board of Directors comprises the members with directorship qualifications for financial institutions as required by law and are appointed under prescribed nomination process. In addition, they shall have expertise, extensive knowledge and experience as prescribed, and have comprehensive understanding on their roles and responsibilities as well as nature of business, and be able to devote their time for performance as directors. Besides, at least 1 director shall possess knowledge or experience in information technology.

TERM OF OFFICE

The directors' term of office is clearly specified in the Bank's Articles of Association and in accordance with the Public Limited Company Act B.E. 2535 (1992) that an every annual general meeting of shareholders, one-third of all directors who hold the longest term of office shall retire by rotation and may be re-elected. If the number of directors is not a multiple of 3, the number nearest to one-third shall retire.

> KRUNGSRI'S MANAGEMENT STRUCTURE CONSISTS OF THE BOARD OF DIRECTORS AND 4 COMMITTEES REPORTING TO THE BOARD OF DIRECTORS TO ASSIST IN PERFORMING DUTIES AND TO ENSURE SUPERVISION AND CONTROL OF BUSINESS RISKS.

Regarding director retirement age, currently it is determined at 75 years. If a director reaches the age of 75 years while holding the directorship position, the director is allowed to hold the office until the end of the term of office. If a director has yet not reached the age of 75 years at the time of nominating for election, the director may be re-elected for another term.

ROLES AND RESPONSIBILITIES OF THE CHAIRMAN OF THE BOARD

1. Ensure proper structure of the Board of Directors, including oversee and monitor their performance is balanced in terms of corporate governance and achieving key objectives and goal of the organization.
2. Encourage all directors to ensure effective implementation of policies and decision making of the Board of Directors.
3. Summon Board of Directors meetings, consider and determine meeting agendas together with the President and Chief Executive Officer and other directors including independent directors.
4. Preside over the Board of Directors meetings, oversee the allocation time for the management to complete each agenda presentation and encourage all directors to ask questions, express opinions or recommendations in order to exercise due consideration before casting their votes freely.
5. Encourage the non-executive directors to have meetings without presence of executive directors.

6. Preside over the meetings of shareholders and conduct the meetings in compliance with the Bank's Articles of Association and follow a sequence of meeting agenda stipulated in the notification of the meeting, unless the meeting of shareholders resolves otherwise.
7. Encourage the directors to attend seminars and training courses relating to their duties and good corporate governance for knowledge development.
8. Promote and be a role model of compliance in accordance with Good Corporate Governance Principles as well as to ensure that the directors perform their duties in line with Good Corporate Governance Principles.
9. Promote activities of good corporate governance as well as environment and corporate social responsibility in order to encourage the awareness and compliance among the directors, executives and all employees.
10. Be a role model to promote good relationship between the executive and non-executive directors, and between the Board of Directors and the management.

ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors must be properly accountable for their duties and allocate sufficient time to discharge their duties effectively as well as have independence in making decisions under principles and guidelines of Business Judgment Rule. In addition, the Board of Directors must recognize and uphold the interest of the organization including its stakeholders as well as undertake the fiduciary duties of overseeing the management of Krungsri and the companies in the financial business group (the Group) as follows:

1. Duty of Care, which requires a director to be diligent and prudent in managing the Group's affairs.
2. Duty of Loyalty, which dictates that a director must act in good faith and must not allow his/her personal interest to prevail over the interest of the Group.
3. Duty of Obedience, which requires a director to comply with the laws, the Bank's objectives and Articles of Association, the resolutions of the Board of Directors and shareholders' meetings and the Good Corporate Governance Principles.
4. Duty of Disclosure, which requires a director to reveal the information that is accurate, adequate, transparent and timely.

In addition, the Board of Directors must perform the following duties:

1. Have a thorough understanding of roles and responsibilities of the Board of Directors, act as a coordinator between the shareholders and the management, formulate policies relating to business operations and direction as well as ensure good corporate governance and compliance with the policies.
2. Define objectives, goals, strategies and operational policies and provide key resources for achieving them as well as follow up, evaluate and monitor the performance report.
3. Consider and set the overall business direction and strategic goals of the Group, ensure that oversight mechanism over the Group's policies and operations is in place, and promote comprehensive and correct understanding on the same.
4. Ensure the establishment and communication of the corporate governance policy to the directors, executives, and employees, with regular review.
5. Consider and approve the annual business plan and budget proposed by the management.
6. Consider and approve significant matters of the Group as stipulated by laws, the Bank's Articles of Association and direction.
7. Ensure effective internal control and internal audit systems which are in compliance with applicable laws and standards.
8. Ensure the establishment of the policy relating to prevention of use of insider information and the formation of the system for monitoring conflicts of interest and related party transactions as well as compliance with such policy.
9. Ensure the establishment of the policy and control mechanism relating to risk management with regular reviews, and support Risk Management Committee in performing efficient and professional duties with independence from business units.
10. Ensure the establishment and communication of the policy and program relating to anti-fraud and anti-corruption.
11. Ensure the establishment of supporting system for the Board of Directors' full performance of their roles and responsibilities including access of necessary information as well as effective and sufficient reporting of information by the management.
12. Monitor the Group's financial liquidity and solvency and set a recovery plan in regards to financial difficulties.
13. Promote the innovation that creates value to the business together with benefits to customers or other stakeholders, society and environment, and ensure that the management allocates and manages the resources efficiently and effectively.
14. Ensure the establishment of a framework for the governance of enterprise information technology that is aligned with the Group's needs, stimulates business opportunities and performance, strengthens



risk management, and supports the Group's objectives and key goals.

15. Ensure clear and transparent policy and procedures for selection and nomination of the directors, and determination of director remuneration which requires a meeting of shareholders' approval, conduct performance evaluation, support training and knowledge development to enhance the directors' understanding on their roles and responsibilities, nature of business and related laws including shareholders structure and relationship, and regularly update and refresh the directors' skill and knowledge necessary to perform their duties.
16. Ensure a proper mechanism for the nomination and remuneration of the President and Chief Executive Officer including senior executives, support training and development, conduct performance evaluation, establish succession plan and report on its implementation.
17. Define clear roles and responsibilities of the President and Chief Executive Officer and the management and monitor their proper performance of duties.
18. Establish appropriate and necessary committees reporting to the Board of Directors to support the Board of Directors' performance of duties and ensure the conduct of evaluation, report and disclosure of those committees' performance.
19. Ensure effective human resources management and development programs in terms of manpower, knowledge, skill, experience and compensation.
20. Appoint a corporate secretary who possesses appropriate and necessary knowledge and experience to support the Board of Directors in fully performing their duties in compliance with laws.
21. Ensure that the Group's business operations reflect the Group-wide implementation of environmental and social responsibility standards.
22. Ensure the defining, communication and fulfillment of the Group's responsibilities towards the stakeholders as well as adherence to the code of conduct, ethics of the directors, executives and employees including Banking Industry Code of Conduct.
23. Ensure proper, adequate, clear and transparent procedures of preparation and disclosure of important information, both financial and non-financial, to government agencies, shareholders, investors and general public, within a reasonable period of time and in compliance with applicable regulations, standards and practices as well as reflecting material corporate practices that supports sustainable value creation.

24. Ensure shareholders' opportunities to participate in decision making of significant corporate matters and proper, transparent and efficient shareholders' meetings which facilitates the shareholders to exercise their rights, as well as complete and accurate disclosure of the meeting resolutions and preparation of the minutes.
25. Ensure the establishment of function or appointment of person responsible for investor relations for effective, fair and timely communication with shareholders and other stakeholders such as investors and analysts as well as promoting the effective information technology in disseminating information.
26. Ensure the Group's creation of a mechanism for handling complaints and whistleblowing.

The Board of Directors' approval authority, in brief, is the approval of significant matters of the Group, the matters as stipulated by laws, regulations of the regulators as well as the Bank's Articles of Association and direction including the important policies for the Group's operations, the annual operating plan and budget as well as following up the management to ensure the efficient and effective implementation of those approved policies / plans. In addition, the Board of Directors shall approve the interim dividend payment, the related party transactions having specific transaction type and value, the appointment and change of the authorized signatory directors, the appointment and determination of the authority of the committees reporting to the Board of Directors, the appointment, transfer and/or change of positions of senior executives as well as the appointment of Krungsri's executives to serve as the directors of the companies in the Group.

ROLES AND RESPONSIBILITIES OF EXECUTIVES

Executives shall perform duties under the moral and ethical framework as follows:

1. Adhere to integrity, fairness, morality, responsibility and business ethics as well as perform duties and supervise the business with prudence and thoroughness for the best interest of the organization and stakeholders under principles and guidelines of Business Judgment Rule. In addition, executives must recognize and uphold the organization's interest with awareness on organizational matters and operations.
2. Play key roles on promoting good governance in order to enhance trust from shareholders, customers, supervision agencies and all stakeholders for the best interest of the organization, industrial sector and country.
3. Operate the business management in accordance with strategies, policies and plans approved by the Board of Directors.
4. Support the Board of Directors to formulate and review strategies, goals and operating plan; ensure the appropriateness and adequacy of Risk Management and internal control systems; define the management's authority to be in accordance with their responsibilities; set the policies relating to resource allocation, development and budgeting; monitor and evaluate the Group's operating performance and ensure the disclosure of important information, both financial and non-financial.
5. Fulfill the management's duties to ensure the appropriate and efficient implementation of the policies.
6. Strictly comply with policy and systems of risk management, realize any possible risks and protect the Group's interest as well as control any possible damage to be at acceptable level under efficient risk management.
7. Avoid any possible conflict of interest and if there is a conflict of interest, such conflict of interest shall be handled fairly without delay. Executives' transaction towards the Group shall be executed in an appropriate manner or on an arms' length basis as a normal business of the Group made with its customers, without significant relationship, whereby the benefits of the organization must be mainly attentive.

ROLES AND RESPONSIBILITIES OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

The President and Chief Executive Officer as the top executive of the Bank shall be responsible for performing duties as one of the directors and an executive, as well as the following duties as a leader of all executives:

1. Perform tasks assigned by the Board of Directors and committees reporting to the Board of Directors as well as any other acts as stipulated by laws or regulations of government agencies.
2. Monitor and control the Bank's operations to ensure compliance with policy, goals, strategies, operating plan and annual budget of the Bank and its subsidiaries as approved by the Board of Directors as well as compliance with applicable laws and regulations.
3. Report significant operating performance to the Board of Directors on regular basis.
4. Promote compliance with Good Corporate Governance Principles as well as highest standards of integrity, ethics and corporate social responsibility.

5. Structure and manage the organization under the Board of Directors' given guidelines as well as build and retain capable management team to effectively perform duties according to the Bank's strategies and objectives.
6. Represent the Bank in dealing with government agencies and other regulatory agencies with the authority to assign other person to act on his/her behalf.
7. Seek business opportunities which are consistent with the Bank's vision and strategic direction.

MEMBERS OF THE BOARD OF DIRECTORS

As of December 31, 2020, the Board of Directors consists of 12 directors as below:

Name - Surname	Position
Independent Directors	
1. Mr. Karun Kittisataporn	Independent Director / Chairman
2. Miss Potjanee Thanavaranit	Independent Director / Chairman of the Audit Committee
3. Mr. Virat Phairatphiboon 1/	Independent Director / Chairman of the Risk and Compliance Committee / Audit Committee Member / Nomination and Remuneration Committee Member
4. Dr. Jamlong Atikul	Independent Director / Chairman of the Nomination and Remuneration Committee / Audit Committee Member
5. Mrs. Tongurai Limpiti 2/	Independent Director / Audit Committee Member / Risk and Compliance Committee Member
Non-Executive Directors	
6. Mr. Noriaki Goto	Vice Chairman (Authorized Signatory) / Nomination and Remuneration Committee Member
7. Mr. Toru Matsuda	Director / Risk and Compliance Committee Member
8. Miss Junko Kawano	Director
9. Miss Nopporn Tirawattanagool	Director (Authorized Signatory) / Nomination and Remuneration Committee Member / Risk and Compliance Committee Member
Executive Directors	
10. Mr. Seiichiro Akita	President and Chief Executive Officer (Authorized Signatory) / Chairman of the Executive Committee
11. Mr. Pornsanong Tuchinda	Director (Authorized Signatory) / Executive Committee Member
12. Miss Duangdao Wongpanitkrit	Director (Authorized Signatory) / Executive Committee Member

Mrs. Thidarat Sethavaravichit serves as the Secretary to the Board of Directors.

Remarks: 1/ Appointed as the Nomination and Remuneration Committee member, effective February 1, 2020.

2/ Appointed as the Independent Director, effective January 2, 2020 and appointed as the Audit Committee member and the Risk and Compliance Committee member, effective February 1, 2020.

The last updated profile of directors are shown under the topic "Details of Directors, Executives, Persons with Managerial Authority, the Person taking the Highest Responsibility in Finance and Accounting, Person having Accounting Control and Corporate Secretary".

The directors authorized to sign on behalf of Krungsri are that Mr. Noriaki Goto and Mr. Seiichiro Akita jointly sign and affix the Company's seal; or either Mr. Noriaki Goto or Mr. Seiichiro Akita co-sign with either Miss Nopporn Tirawattanagool or Mr. Pornsanong Tuchinda or Miss Daungdao Wongpanitkrit, a total of two directors, jointly sign and affix the Company's seal.

Meetings of the Directors

In 2020, the meeting attendance of the Directors is detailed below:

List of the Directors	Number of Meetings Attended / Total Number of Meetings Held					
	Board of Directors		Nomination and Remuneration Committee	Audit Committee	Risk and Compliance Committee	Executive Committee
	Ordinary Meeting	Special Meeting				
Independent Directors						
1. Mr. Karun Kittisataporn	12/12	1/1				
2. Miss Potjanee Thanavaranit	12/12	1/1		14/14		
3. Mr. Virat Phairatphiboon 1/	12/12	1/1	13/13	14/14	12/12	
4. Dr. Jamlong Atikul	12/12	1/1	15/15	14/14		
5. Mrs. Tongurai Limpiti 2/	11/12	1/1		13/14	11/12	
Non-Executive Directors						
6. Mr. Noriaki Goto	11/12	1/1	14/15			
7. Mr. Toru Matsuda	11/12	1/1			12/12	
8. Miss Junko Kawano	11/12	1/1				
9. Miss Nopporn Tirawattanagool	12/12	1/1	15/15		12/12	
Executive Directors						
10. Mr. Seiichiro Akita	12/12	1/1				37/37
11. Mr. Pornsanong Tuchinda	11/12	1/1				29/37
12. Miss Duangdao Wongpanitkrit	12/12	1/1				37/37

Remarks: 1/ Appointed as the Nomination and Remuneration Committee member, effective February 1, 2020.

2/ Appointed as the Independent Director, effective January 2, 2020 and appointed as the Audit Committee member and the Risk and Compliance Committee member, effective February 1, 2020.

In addition, 2 meetings of non-executive directors were held on May 27, 2020 and December 16, 2020.

NOMINATION AND REMUNERATION COMMITTEE

STRUCTURE AND COMPOSITION

The Board of Directors appoints the Nomination and Remuneration Committee which consists of not less than 3 members who are the independent directors or non-executive directors (currently, 2 independent directors and 2 non-executive directors). Chairman of the Nomination and Remuneration Committee shall be an independent director, and the Head of Human Resources Group shall be appointed as the Nomination and Remuneration Committee secretary.

QUALIFICATIONS

The Nomination and Remuneration Committee members shall have extensive knowledge, capability and experience, and thorough understanding of their roles and responsibilities.

TERM OF OFFICE

The Nomination and Remuneration Committee members shall have term of office concurrent with their directorship term of office. In case of vacancy in the committee due to any reason other than completion of term, the Board of Directors shall appoint a fully qualified person to fill up the vacancy at the earliest. During the process of nomination and appointment, remaining members can continue to perform their duties even the number of the committee

members does not meet the composition. Such person shall hold office concurrent with his/her directorship term. Upon completion of a term, the member may be re-appointed to the Committee.

SCOPE OF AUTHORITIES, DUTIES AND RESPONSIBILITIES

1. To determine policies with clear and transparent principles for submission to the Board of Directors for consideration and approval and for submission to the Bank of Thailand upon request as follows:
   - 1.1 The policies, rules and procedures for nomination of the Bank's directors, members of the sub-committees whose authority, roles and responsibilities are directly assigned by the Bank's Board of Directors, senior executives at the level of Executive Vice President and above and the Bank's advisors equivalent to Director or executive at Executive Vice President level and above.
   - 1.2 The policies, rules and procedures of nomination as well as selection and/or screening of the names of the suitable candidates as the case may be for directors, managing director or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50 percent of shares. Such selection and/or screening are also applicable to internal candidates suitable for appointment to these positions.
   - 1.3 The policies, rules and procedures for payment of remuneration and other benefits to directors, sub-committee members and senior executives of the Bank at the level of Executive Vice President and above as well as directors, managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50 percent of shares.

2. To select and/or screen candidates for appointment to the following positions for submission to the Board of Directors or the shareholders meeting for consideration and approval, as the case may be:
   - 2.1 Directors of the Bank
   - 2.2 Members of the various sub-committees reporting directly to the Board of Directors.
   - 2.3 Senior executives at the level of Executive Vice President and above of the Bank
   - 2.4 Directors of the entities in which the Bank holds shares whereby the number and composition of directors will be as stipulated in the Articles of Association of each entity and in accordance with the Bank's guidelines on determination of numbers of directors of Krungsri Entities, directorship proportion according to joint venture agreement, and relevant regulatory requirements.
   - 2.5 Managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level, of the entities in which the Bank holds more than 50 percent of shares.
   - 2.6 Bank's advisors equivalent to Director or executive at Executive Vice President level and above.

3. To determine the policies on and the amount of remuneration and other benefits commensurate with roles and responsibilities, reflect the objectives and relevant risks of the Bank and/or companies in its financial business group and are in accordance with the clear and transparent criteria as well as comparable to the industry benchmark.
   - 3.1 To determine remuneration and other benefits for directors, members of the various sub-committees, senior executives of the Bank at the level of Executive Vice President and above, and the Bank's advisors equivalent to Director or executive at Executive Vice President level and above for submission to the Board of Directors or the shareholders meeting for consideration and approval, as the case may be.
   - 3.2 To determine remuneration and other benefits for directors, managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entitles in which the Bank holds more than 50 percent of shares for submission to the Board of Directors for consideration and approval.
   - 3.3 To ensure that the Bank's directors, senior executives of the Bank at the level of Executive Vice President and above as well as directors, managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive

Vice President level of the entities in which the Bank holds more than 50 percent of shares who are assigned additional roles and responsibilities shall receive additional remuneration commensurate with additional assignments.

4. To ensure that the size and composition of the Board of Directors are appropriate for the organization and modify them as appropriate in consideration of the changes in the environment. Also, to ensure that the mechanisms or tools that support director selection and nomination process are in place so as the Board of Directors is endowed with members who exhibit behaviors and possess competency and experience in a variety of fields beneficial to the Bank's business operation in the long run and in line with the Bank's business direction and strategies.

5. To ensure that the evaluation of the performance is undertaken uniformly across all companies in Krungsri Group taking into account the increase in the valuation of shareholders' equity in the long-term based on duties, responsibilities and risks involved.
   - 5.1 To consider performance evaluation guidelines and endorse performance evaluation forms in appropriate formats as prepared by the Bank for use in evaluating performance of duties of the Board of Directors.
   - 5.2 To endorse performance evaluation guidelines, goals & objectives and performance targets of senior executives of the Bank at the level of Executive Vice President and above as well as directors, managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50 percent of shares in order to consider the annual remuneration.
   - 5.3 To consider and provide opinions regarding the performance of the hfighest executive position of the Bank or a person holding equivalent position regardless of title in order to consider the annual remuneration prior to submission of the matter to the Board of Directors for consideration and approval.
   - 5.4 To consider and endorse the performance of senior executives of the Bank at the level of Executive Vice President and above as well as directors, managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of entitles in which the Bank holds more than 50 percent of shares in order to consider the annual remuneration prior to submission of the matter to the Board of Directors for consideration and approval.

6. To consider a succession plan for the highest executive position of the Bank or a person holding an equivalent position regardless of title for submission to the Board of Directors for consideration and approval. Also, to consider and approve a succession plan for the various functional group heads.

7. To consider appropriateness of the Bank's organization restructuring at Functional Group level and above or substantial or major changes in the Bank's organization structure.

8. To perform other tasks assigned by the Board of Directors and/or the Chairman of the Board of Directors.

9. To disclose nomination and remuneration policies and present a summary of the operations of the Nomination and Remuneration Committee in the Bank's Annual Report.
   - 9.1 To disclose nomination process for the Bank's directors and senior executives at the level of Executive Vice President and above.
   - 9.2 To disclose remuneration policy and various form of compensation as well as details regarding criteria for overall performance assessment, goals and activities, the Committee's opinions, and methodology and tools for remuneration payment that reflects risks (if any).

10. The Committee may seek advice from external consultant experts (independent) such as for salary surveys, selection of directors and senior executives, etc., as needed, with the Bank being responsible for the expenses incurred.

11. To work closely with the Risk and Compliance Committee to ensure that remuneration policy reflects material risks of the Bank.

Names of Members and Meetings of the Nomination and Remuneration Committee

In 2020, there were a total of 15 ordinary meetings as scheduled in advance as detailed below:

Members of the Nomination and Remuneration Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Dr. Jamlong Atikul	Chairman	15/15
2. Mr. Noriaki Goto	Member	14/15
3. Mr. Virat Phairatphiboon 1/	Member	13/13
4. Miss Nopporn Tirawattanagool	Member	15/15

Secretary to the Nomination and Remuneration Committee is Mr. Vasin Udomratchatavanich

Remarks: 1/ Appointed as the Nomination and Remuneration Committee member, effective February 1, 2020.

AUDIT COMMITTEE

STRUCTURE AND COMPOSITION

The Board of Directors appoints the Audit Committee which consists of no less than 3 independent directors (currently, 4 independent directors). The Head of Internal Audit Group shall be appointed as the Audit Committee secretary.

QUALIFICATIONS

The Audit Committee members shall possess qualifications as required by the Securities and Exchange Commission, the Capital Market Supervisory Board, the Bank of Thailand, and other regulatory bodies (if any) and shall not be the directors being assigned by the Board of Directors to make decisions regarding business operations of the Bank, subsidiaries, associated companies, fellow subsidiaries with the same level of ownership stake by the parent company, major shareholders or persons with control authority over the Bank, and shall not be directors of listed companies which are subsidiaries or fellow subsidiaries with the same level of ownership stake by the parent company. One of the Committee members shall be appointed as Chairman of the Audit Committee. However, the Chairman of the Audit Committee must not serve as Chairman of the Board and any other sub-committee appointed by the Board of Directors.

Audit Committee members shall possess knowledge, experience as well as a thorough understanding of their duties and responsibilities. They shall also understand the nature of business operations and risk management of the Bank and its group companies. In addition, at least 1 Committee member shall possess knowledge and experience at a level sufficient to review the reliability of financial statements.

TERM OF OFFICE

The Audit Committee members shall have term of office concurrent with their directorship term of office. In case of Audit Committee vacancy due to any reason other than completion of term, the Board of Directors shall appoint a fully qualified person to fill up the vacancy within 3 months from the date of such vacancy. During the process of nomination and appointment, remaining members can continue to perform their duties. Such person shall hold office concurrent with his/her directorship term. Upon completion of a term, the member may be re-appointed to the Committee.





• SCOPE OF AUTHORITIES, DUTIES AND RESPONSIBILITIES

- Financial Reports and External Auditor

1. Review and cooperate with the senior management, internal audit team, and external auditor in overseeing internal control over financial reporting (ICFR) to ensure that internal controls and financial reporting preparation process was designed effectively, and the Bank's financial reports and any disclosed documents relating to the financial performance of the Bank and its group companies is accurate, adequate, reliable and reflect the true and fair view of the financial status of the Bank and its group companies while complying with accounting standards and practices.

2. Consider, select, propose the independent persons to the Board of Directors, candidates for appointment or termination of the external auditor, including their remunerations prior to submit to the Bank of Thailand for endorsement before proposing them to the shareholders' meeting of the Bank. Hold at least one meeting a year with the external auditor without the presence of management.

3. Review the process in relation to non-audit services from the audit firm of the external auditor and give consent to the engagement of such service and related fees to ensure that it will not impair the independence of the external auditor.

- Internal Control, Risk Management System, Compliance System, and Internal Audit

4. Review internal control, risk management system and compliance system of the Bank and its group companies, to ensure that they are suitable, adequate and efficient. Internal audit practice complies with internal audit standards and ensure internal audit unit's independence, as well as approve the appointment, transfer, dismissal, and notify to the Bank of Thailand as specified, evaluate efficiency and effectiveness of operations, remuneration and annual merit review of the Head of Internal Audit Group of the Bank.

5. Consider internal control, risk management, and compliance with relevant laws and regulations by considering minutes of meetings of Risk and Compliance Committee, Risk Management Committee, and Compliance Committee or another relevant Committee.

6. Consider and approve Internal Audit's plan, Credit Review Plan as well as consider the Internal Audit Charter, Internal Audit Policy, and Policy for reviewing of credits, credit-like transactions and contingent liabilities before submission to the Board of Directors for approval.

7. Ensure that relevant appropriate and sufficient actions are in place for the review of procedure in relation to the Self-Evaluation Tool for Countering Bribery of the Bank under the anti-corruption policy. In addition, review the report on Self-Evaluation Tool prepared by internal audit for Countering Bribery of the Bank and certain group companies which have not established audit committees, to ensure correctness and completeness before submission to the Bank's Board of Directors and/or concerned board of directors of the group companies.

8. Review and cooperate with the senior management and internal audit team in reviewing and examining irregular, errant or suspicious matters as well as reviewing report progression of credit review including problems and obstacles of the credit review to establish corrective methods and finalize solutions to rectify such matters.

- Related Parties Transactions or Transactions that may Create Conflict of Interest

9. Consider the matters relating to connected transactions or transactions with possible conflict of interest, to ensure compliance with the relevant regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission, the Bank of Thailand, or other relevant laws and regulations including reasonableness and highest benefit to the Bank as well as the accuracy and completeness of disclosure of such information.

- Good Governance

10. To serve as another whistleblowing or complaint channel for any situation concerning of any employees that may deem to be fraudulent or in violation of laws,

regulations, as well as the Bank's policies, procedures, and Directive and also serve as a channel to receive reports or complaints that may have negative impact to the Bank.

- Compliance with Regulatory Requirements

11. Oversee and monitor the operations, business undertaking or actions taken by the Bank to ensure compliance with Securities and Exchange Acts, the Stock Exchange of Thailand regulations or laws, announcements and regulations pertaining to commercial banking business including internal policies and procedures.

- Others

12. Ensure that preliminary investigation is carried out after receiving the external auditor's report on behavior suspicious of fraud or violation of laws by the Bank's board members and management. The Audit Committee shall report the results of such investigation to the Securities and Exchange Commission and the external auditor under Section 89/25 of the Securities and Exchange Act within 30 days from the date they are notified by the external auditor. The further detail investigations shall be carried out as appropriate and report the result to the Bank's Board of Directors to rectify within appropriate timeline.

13. Consider inviting the management of internal control, risk management and compliance function for meeting as necessary to assure the appropriateness of internal control, risk management and compliance with relevant laws and regulations.

14. Prepare the Audit Committee's report and disclose the same in the Bank's Annual Report, comprising of at least the following information:
    (1) opinion on the accuracy, completeness and creditability of the Bank's financial report;
    (2) opinion on the adequacy of the internal control system;
    (3) opinion on the compliance with the laws on securities and exchange, the Stock Exchange of Thailand's regulations, or laws pertaining to commercial banking business;
    (4) opinion on the suitability of an external auditor;
    (5) opinion on the transactions that may lead to conflict of interest;
    (6) the number of audit committee meetings and the attendance of such meetings by each committee member;
    (7) opinion or overall observation of the audit committee from its performance of duties in accordance with its charter; and
    (8) other matters which, according to the audit committee's opinion, should be revealed to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Bank's Board of Directors.

15. Where there is a material change in the composition or in the duties of the audit committee, review the duties of Audit Committee's and term of office and present the same to the Board of Directors to consider amendments as deem appropriate.

16. Ensure clear written announcement of the Audit Committee's scope of duties and any material change which may affect the audit committee's performance and disclose the same to the shareholders in the Bank's Annual Report.

17. Submit timely reports to the Board of Directors for remedial action upon the audit committee finding or suspects any misconduct in the following areas:
    - Any transaction with conflict of interest.
    - Any fraud or irregularity or material defect in the internal control system.
    - Any breach of the Bank's rules and regulations, the Articles of Association as well as laws governing the banking business.

    If the Board of Directors or the senior management does not take remedial action within the timeline determined by the Audit Committee, the Audit Committee shall disclose such failure in the Annual Report and report to the Office of the Securities and Exchange Commission and the Bank of Thailand.

18. The Audit Committee shall have authority to access to any document and information it requires and to request a meeting with management, employees or external parties, as appropriate and also have authority to seek independent professional opinions or advices, as necessary, at the Bank's expense.

19. Conduct annual performance assessment of the Audit Committee and report the assessment result to the Bank's Board of Directors.

20. Perform any other tasks as assigned by the Bank's Board of Directors as consented by the Audit Committee.

NAMES OF MEMBERS AND MEETINGS OF THE AUDIT COMMITTEE

In 2020, there were a total of 14 meetings, i.e. 12 ordinary meetings and 2 special meetings, 2 out of 14 meetings were made with the external auditors without the management. Details are shown below:

Members of the Audit Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Miss Potjanee Thanavaranit	Chairman	14/14
2. Mr. Virat Phairatphiboon	Member	14/14
3. Dr. Jamlong Atikul	Member	14/14
4. Mrs. Tongurai Limpiti [1/]	Member	13/14

Secretary to the Audit Committee is Miss Puntipa Hannoraseth

Remarks: All four members are competent and experienced in reviews of financial statements.
[1/] Appointed as the Audit Committee member, effective February 1, 2020.

RISK AND COMPLIANCE COMMITTEE

STRUCTURE AND COMPOSITION

The Board of Directors appoints the Risk and Compliance Committee which consists of at least 3 non-executive directors (currently, 2 independent directors and 2 non-executive directors). The Chairman of the Risk and Compliance Committee must, however, be an independent director with the Chief Compliance Officer as the Secretary.

QUALIFICATIONS

The Risk and Compliance Committee members shall possess knowledge, experience as well as a thorough understanding of their duties and responsibilities, including good judgments for the best interest of the Bank and/or companies within the financial business group.

TERM OF OFFICE

The Risk and Compliance Committee members shall have the terms of office concurrent with their directorship terms of office. In case of any vacancy due to the reason other than completion of the terms, the Board of Directors shall appoint a qualified individual to fill up the vacancy at the earliest. During the process of nomination and appointment, other remaining members can continue to perform their duties even the number of the committee members does not meet the requirement of this Directive. without a full composition of Committee members. Such person shall hold the Committee terms of office concurrently with his/her directorship term. Upon completion of a term, the member may be re-appointed to the Committee.

SCOPE OF AUTHORITIES, DUTIES AND RESPONSIBILITIES

1. Provide suggestions to the Board of Directors on the overall strategies, policies, and frameworks on risk management and compliance.
2. Prescribe Risk Management Group and Compliance Division's duties and scope of work to commensurate with the complexity of the bank's business and in accordance with Charter. The Risk and Compliance Committee is to also oversee that Senior Management Team (SMT) and the Chief Risk Officer comply with the risk management policies, strategies, and the acceptable level of risk appetite.
3. Oversee and monitor the implementation of strategies for integrated risk management, inclusive of capital, liquidity and compliance management in mitigating the major risks, i.e. credit risk, market risk, liquidity risk, operational risk, legal risk, information technology risk including cyber risk, reputational risk, and compliance risk.
4. Revisit and review the sufficiency and effectiveness of the overall risk management policies and strategies as well as the annual compliance plan and risk appetite level at least once a year or upon any significant change to ensure the effectiveness. The Risk and Compliance Committee should discuss and exchange views with the Audit Committee to ensure the comprehensiveness of the risk management policies and strategies and their effectiveness, which should cover all existing and new types of risk and whether the action taken per these policies and strategies are effective and efficient.
5. Regularly report to the Board of Directors on the risk exposure, efficiency of risk management, progress on the implementation of risk culture, as well as significant

factors and issues, and the required enhancement to be in line with the established risk and compliance policy and strategy. The Risk and Compliance Committee is to also communicate to the Audit Committee on any non-compliance issue for acknowledgement.

6. Review and monitor all pending/overdue issues from the Bank of Thailand, National Credit Bureau Co., Ltd., the Securities and Exchange Commission, Anti-Money Laundering Office, etc. and compliance related issues to ensure that they are rectified per the specified timeline.
7. Evaluate the performance of the Chief Compliance Officer and the Chief Risk Officer to ensure independency and prevent possible conflict of interest.
8. Provide recommendations on best practices, development and improvement plans and information communicated to the public regarding Good Corporate Governance.
9. Determine/review recommendations on Code of Business Conduct and The Spirit & The Letter including business ethics and good practices of the Bank's senior management and employees, ensure publication and communication to all staff for acknowledgement and use as guidelines.
10. Conduct an annual performance assessment of the Risk and Compliance Committee and report the assessment result to the Board of Directors.
11. Perform any other tasks as assigned by the Board of Directors as agreed by the Risk and Compliance Committee

NAMES OF MEMBERS AND MEETINGS OF THE RISK AND COMPLIANCE COMMITTEE

In 2020, there were a total of 12 ordinary meetings as scheduled in advance as detailed below:

Members of the Risk and Compliance Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Mr. Virat Phairatphiboon	Chairman	12/12
2. Miss Nopporn Tirawattanagool	Member	12/12
3. Mr. Toru Matsuda	Member	12/12
4. Mrs. Tongurai Limpiti [1/]	Member	11/12

Secretary to the Risk and Compliance Committee is Mr. Saengchart Wanichwatphibun

Remarks: [1/] Appointed as the Risk and Compliance Committee member, effective February 1, 2020.

EXECUTIVE COMMITTEE

STRUCTURE AND COMPOSITION

The Board of Directors appoints the Executive Committee consisting of no less than 10 members namely President and Chief Executive Officer as the Chairman of the Executive Committee, Head of Commercial Banking, Head of Retail and Consumer Banking, Head of JPC/MNC Banking, Chief Financial Officer, Chief Information and Operations Officer, Chief Risk Officer, Chief Strategy Officer, Head of Global Markets Group, Chief Human Resources Officer and other suitable executives. The Chairman of the Executive Committee shall appointment the Secretary to the Committee.



QUALIFICATIONS

The Executive Committee members shall possess knowledge, experience as well as a thorough understanding of their

duties and responsibilities, including good judgments to ensure benefits of the Bank and/or companies in the Financial Business Group.

TERM OF OFFICE

Members of the Committee shall have a term of office for 2 years at a time. In case of additional members, additional members have a term of office as per the directive of their appointments. In case of vacancy due to any reasons other than completion of term, the Board of Directors shall appoint a fully qualified person to fill up the vacancy for the remaining period. During the process of nomination and appointment, other remaining members can continue to perform their duties even the number of the committee members does not meet the requirement. Members of the Committee may be re-appointed upon completion of their term to ensure continuity in their function.

SCOPE OF AUTHORITIES, DUTIES AND RESPONSIBILITIES

1. To be in charge of the Bank's operations to ensure compliance with all relevant laws and the Bank's regulations.
2. To be in charge of the Bank's business management to achieve the set goals, policies, strategies and business plans.
3. To assist the Board of Directors in setting optimal policies and plans by providing full and accurate information.
4. To screen strategic plans, annual business plan, capital expenditure budgets, operational objectives and other project plans, including income/non-interest expenditure controls before submitting to the Board of Directors.
5. To assign the Management Committees to consider matters which occur from the Bank's ordinary operations.
6. To prepare reports as assigned by the Board of Directors.
7. To review policy and business plans prepared by the President and Chief Executive Officer, and propose the business plans which have been reviewed to the Board of Directors for approval.
8. To consider policy and business plans endorsed by the Board of Directors on a quarterly basis and present views relating to the policy and business plans to the Board of Directors.
9. To consider, approve and monitor the following operations:
   - 9.1 High cost investment.
   - 9.2 Launching of new product or cessation of providing service or adjustment of prices which have been approved.
   - 9.3 Go into business by capital investment, share investment, business partnership or contracts or agreements.
   - 9.4 Provision of credits or guarantee apart from the Bank's ordinary operations.
   - 9.5 Any actions resulting in property rights or right over the Bank's assets.
   - 9.6 Liability payments or liability payment before due date.
   - 9.7 Changes of strategies relating to the provision of credit and acceptance of deposits.
   - 9.8 Credit limits opening and closing.
   - 9.9 To enter into agreements or the setting of policy relating to agreements with the departments monitoring the Bank's business operations in cases other than those which the Bank's high-level executives have been empowered to do.
   - 9.10 Credit requests and also relevant operations relating to credit within its scope of authorizations delegated from the Board of Directors in accordance with the credit policy and based on acceptable risk in accordance with the risk policy of the Bank.
10. To monitor operations of the Bank' departments to ensure compliance with plans and goals in an efficient and effective manner.
11. To review, monitor, provide suggestions and directions to ensure that the management system and operational process of various departments are modern, up-to-date and correspond to the fast-changing economic situation.
12. To have the authority to examine the Bank's documents and data and summon relevant employees for questioning so that the Committee may fulfill its objectives.
13. To have the authority to appoint and set the roles and responsibilities of Management Committees and/or individuals as deemed appropriate to assist the management of the Bank.
14. To undertake assignments from the Board of Directors.
15. To report the Bank's operations and various activities that has major implications to the Board of Directors.
16. To operate matters relating to the Bank's overall businesses or operations.
17. To monitor operations of the Management Committees reporting to the Executive Committee.
18. To approve quarterly (reviewed) financial statements after review by Audit Committee.

Any matter to be proposed to the Committee should be filtered by at least one of related Management Committees (if any).

NAMES OF MEMBERS AND MEETINGS OF THE EXECUTIVE COMMITTEE

In 2020, there were a total of 37 ordinary meetings as scheduled in advance as detailed below:

Members of the Executive Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Mr. Seiichiro Akita	Chairman	37/37
2. Mr. Pornsanong Tuchinda	Member	29/37
3. Mr. Dan Harsono	Member	35/37
4. Mr. Yoshiyuki Horio [1/]	Member	13/18
5. Miss Duangdao Wongpanitkrit	Member	37/37
6. Mrs. Voranuch Dejakaisaya	Member	35/37
7. Mr. Chandrashekar Subramanian Krishoolndmangalam	Member	35/37
8. Mr. Pairote Cheunkrut [2/]	Member	35/37
9. Mr. Tak Bunnag	Member	34/37
10. Mr. Vasin Udomratchatavanich	Member	33/37
Members who resigned or whose membership ended during the year		
Mr. Yuzo Nakada [3/]	Member	10/17

Secretary to the Executive Committee is Mrs. Thidarat Sethavaravichit

Remarks: [1/] Appointed as the Executive Committee member, effective June 26, 2020.
[2/] Appointed as the Executive Committee member, effective January 1, 2020.
[3/] Membership of the Executive Committee ended on June 13, 2020.



SELECTION AND APPOINTMENT OF DIRECTORS AND SENIOR EXECUTIVES

NOMINATION OF DIRECTORS

Krungsri, by the Nomination and Remuneration Committee (NRC), has established qualifications of the directors which is suitable and in accordance with Krungsri's strategic necessity. The qualifications and criteria for the nomination of the directors as follows:

- Qualifications of the Directors

1. A director shall have the following characteristics:
   (1) Demonstrate integrity and accountability.
   (2) Make decisions based on information (informed judgment).
   (3) Be mature and stable, a good listener and willing to provide different and independent opinions.
   (4) Work in accordance with principles.
   (5) Spend sufficient time dedicating oneself to performing duties as a director.
   (6) Attentively perform duties within his/her scope of responsibilities.

2. A director shall have the knowledge and expertise as well as experience which are beneficial to business operations such as determination of visions and strategies, knowledge about banking industry, international trade, risk management, accounting and finance, organization and human resources management, and crisis management.

In addition to the aforementioned characteristics, knowledge and expertise, a director shall possess qualifications in compliance with the requirements of government authorities, i.e. the Bank of Thailand, the Securities and Exchange Commission and the Stock Exchange of Thailand.

- Method for the Nomination of Directors

1. Nomination
   There are several methods stipulated by Krungsri for the nomination of appropriate persons to serve as a director such as (1) Nominated by a director, (2) Nominated by the NRC, (3) Nominated by an outsource firm hired by Krungsri, (4) Nominated by a minority shareholder.

2. Consideration process
   The Secretary to the NRC proposes the names of the candidates to the NRC for further selection/ screening by taking into consideration of all required characteristics and qualifications before passing to the Board of Directors for consideration and appointment or for further proposing to the shareholders' meeting for election, as the case may be.

- Voting on Election/Appointment of Directors:

There are 2 voting approaches as follows:

1. Election of the directors by a general meeting of shareholders' resolution such as election of new director to replace a director whose term of office expires and/or election of additional director (new director) will be in accordance with the procedures stipulated in the Bank's Articles of Association as follows:

   (1) Each shareholder shall have one vote for one share.
   (2) Candidates for directors are elected on an individual basis, and the shareholders must cast all their votes and may not divide their votes among more than one of the candidates.
   (3) The election of candidates is decided by a majority vote, and in the event of a tie votes, the Chairman of the meeting shall have the casting vote.

2. As to the appointment of a replacement directors by the Board of Directors for reasons other than retirement by rotation which requires votes not less than three-quarters of the remaining directors, such replacement director shall serve only the remaining term of the director whom he/she replaces.

Every year Krungsri entitles the shareholders to nominate persons to be elected as the directors 3 months before Krungsri delivers the notification of annual general meeting of shareholders. In this respect, an announcement for exercising their rights is disseminated to the shareholders via the Stock Exchange of Thailand's system and the nomination criteria are disclosed on Krungsri's website.

- Qualifications for Independent Directors

Krungsri has established the following qualifications for independent directors which conform to the notification of Capital Market Supervisory Board, with a more stringent provision on shareholding in order to bolster investor confidence and maintain the balance of sound management as detailed below:

1. Holding not more than 0.5 percent of the total voting shares of the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank. Any shares held by related persons* must also be counted.
2. Within 2 years prior to the appointment, not being or having never been an executive director, contract staff, employee, salaried advisor or control person of the Bank, parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or control person of the Bank.
3. Having no family blood or legitimate registration relationship as father, mother, spouse, brother, sister, child and child's spouse with other director(s), any executive, major shareholder, control person or person nominated as a director, executive or control person of the Bank, subsidiary company or associated company.
4. Within 2 years prior to the appointment, not having or having never had business relationship with the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank in the manner that may obstruct the independent discretion. Also, not being or having never been a principal shareholder or control person of those having business relationship with the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank.
5. Within 2 years prior to the appointment, not being or having never been the auditor of the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank including principal shareholder, control person or partnership of an audit firm which employed the auditor of the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank.
6. Within 2 years prior to the appointment, not being or never been the professional service provider including legal advisor or financial advisor obtaining more than 2.0 million baht annual service fee from the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank, including a principal shareholder, control person or partnership of such professional firm.
7. Not being the director who was appointed as the representative of the Bank's directors, major shareholder or other shareholder related to the major shareholder of the Bank.
8. Not operating any business which has the same nature as and is in competition with the business of the Bank, subsidiary company or associated company, or being principal partnership or executive director, contract staff, employee, salaried advisor, or holding more than 0.5 percent of the total voting shares of other company/partnership which operates the same business and is in competition of the business of the Bank, subsidiary company or associated company.
9. Not having any other characteristics which may cause incapability to provide independent opinions relating to the business operation of the Group.

However, consideration of the above relationship period must be in accordance with notifications of the Capital Market Supervisory Board.

Independent directors who have qualifications under items 1-9 may be assigned by the Board of Directors to make collective decision relating to business operations of Krungsri, parent company, subsidiary company, same-level subsidiary company, or any juristic persons which may have a conflict of interest with Krungsri. In this regard, it shall not be deemed that such independent directors participate in the management.

Remark: * "Related person" as defined by the Capital Market Supervisory Board means a person or a partnership having relationship with a person in any of the following manners:

(a) a spouse of such person;

(b) a minor child of such person;

(c) an ordinary partnership in which such person or the person under (a) or (b) is a partner;

(d) a limited partnership in which such person or the person under (a) or (b) is a partner with unlimited liabilities or a partner with limited liabilities holding shares in an aggregate number of more than thirty percent of the total number of shares of such limited partnership;

(e) a limited company or a public limited company in which such person or the person under (a) or (b) or the partnership under (c) or (d) holds shares in an aggregate number of more than thirty percent of the total paid-up shares of such company;

(f) a limited company or a public limited company in which such person or the person under (a) or (b) or the partnership under (c) or (d) or a company under (e) holds shares in an aggregate number of more than thirty percent of the total paid-up shares of such company;

(g) a juristic person in which such person has managing authority as a representative of the juristic person.

NOMINATION OF SENIOR EXECUTIVES

Krungsri, by the NRC, has established the criteria for the nomination/promotion/appointment of executives at the level of Executive Vice President and above as follows:

- Qualifications of Executives

1. Characteristics
   (1) Demonstrate integrity and accountability.
   (2) Make decisions based on informed judgment.
   (3) Be mature and stable, a good listener and willing to provide different and independent opinions.
   (4) Work in accordance with principles.
2. Have knowledge and expertise as well as experience relating to the banking industry.
3. Possess qualifications in compliance with the requirements of government authorities, i.e. the Bank of Thailand, the Securities and Exchange Commission and the Stock Exchange of Thailand.

- Method for the Nomination/Promotion/ Appointment of Executives at the Level of Executive Vice President and above

Human Resources Group considers the succession plan and selects appropriate executives as candidates for vacancies. In cases where there are no appropriate internal candidates, the Human Resources Group will consider external candidates who possess appropriate qualifications and propose their names to the NRC for consideration and endorsement. The names of the persons who have been endorsed by the NRC will be further proposed to the Board of Directors for consideration and approval.



SHAREHOLDING OF DIRECTORS AND EXECUTIVES IN KRUNGSRI

(As defined by the Capital Market Supervisory Board)

Name-Surname	December 31, 2020			December 31, 2019			Total Shares Increase/ (Decrease) During the Year (shares)
	No. of Shares (shares)		Total Shareholding (%) [1/]	No. of Shares (shares)		Total Shareholding (%) [1/]	
	Directors/ Executives	Spouse and Minor children		Directors/ Executives	Spouse and Minor children		
Independent Directors							
1. Mr. Karun Kittisataporn	-	-	-	-	-	-	-
2. Miss Potjanee Thanavaranit	-	-	-	-	-	-	-
3. Mr. Virat Phairatphiboon	-	-	-	-	-	-	-
4. Dr. Jamlong Atikul	-	-	-	-	-	-	-
5. Mrs. Tongurai Limpiti	-	-	-	N.A.[2/]	N.A.[2/]	N.A.[2/]	N.A.[2/]
Non-Executive Directors							
6. Mr. Noriaki Goto	-	-	-	-	-	-	-
7. Mr. Toru Matsuda	-	-	-	-	-	-	-
8. Miss Junko Kawano	-	-	-	-	-	-	-
9. Miss Nopporn Tirawattanagool	-	-	-	-	-	-	-
Executive Directors							
10. Mr. Seiichiro Akita	-	-	-	-	-	-	-
11. Mr. Pornsanong Tuchinda	-	-	-	-	-	-	-
12. Miss Duangdao Wongpanitkrit	-	-	-	-	-	-	-
Executive							
13. Mr. Dan Harsono	-	-	-	-	-	-	-
14. Mrs. Voranuch Dejakaisaya	-	-	-	-	-	-	-
15. Mr. Yoshiyuki Horio	-	-	-	N.A.[2/]	N.A.[2/]	N.A.[2/]	N.A.[2/]
16. Mr. Sayam Prasitsirigul	-	-	-	-	-	-	-
17. Mr. Chandrashekar Subramanian Krishoolndmangalam	-	-	-	-	-	-	-
18. Miss Puntipa Hannoraseth	-	-	-	-	-	-	-
19. Mr. Tak Bunnag	-	-	-	-	-	-	-
20. Mr. Pairote Cheunkrut	-	-	-	-	-	-	-
21. Mr. Vasin Udomratchatavanich	-	-	-	-	-	-	-
22. Mr. Yoshio Ueyama	-	-	-	-	-	-	-
23. Mrs. Yingluk Kongkasai	-	-	-	-	-	-	-
24. Mr. Thitivorn Chothayaphorn	-	-	-	N.A.[2/]	N.A.[2/]	N.A.[2/]	N.A.[2/]
25. Mr. Saengchart Wanichwatphibun	-	-	-	N.A.[2/]	N.A.[2/]	N.A.[2/]	N.A.[2/]
26. Mr. Nuttawit Boonyawat	1	-	0.0000	1	-	0.0000	-
27. Mr. Somwang Toraktrakul	-	-	-	-	-	-	-
28. Miss Saisunee Hanprathueangsil	-	-	-	-	-	-	-
29. Miss Chayathip Phanmanee	-	-	-	N.A.[2/]	N.A.[2/]	N.A.[2/]	N.A.[2/]
30. Mr. Dominic Mario Notario	-	-	-	N.A.[2/]	N.A.[2/]	N.A.[2/]	N.A.[2/]

Remarks: [1/] Including spouse and minor children. As at December 31, 2019 and December 31, 2020, Krungsri had a total of 7,355,761,773 issued shares.

[2/] In 2019, he/she was not the director and/or the executive under the definition of the Capital Market Supervisory Board.

DETAILS OF DIRECTORS, EXECUTIVES, PERSONS WITH MANAGERIAL AUTHORITY AND CORPORATE SECRETARY INCLUDING PERSON TAKING THE HIGHEST RESPONSIBILITY IN FINANCE AND ACCOUNTING AND PERSON HAVING ACCOUNTING CONTROL

(AS DEFINED BY THE CAPITAL MARKET SUPERVISORY BOARD)

BOARD OF DIRECTORS



1 Mr. Karun Kittisataporn
- Chairman
- Independent Director



2 Mr. Noriaki Goto
- Vice Chairman (Authorized Signatory)
- Nomination and Remuneration Committee Member



3 Mr. Seiichiro Akita
- Director (Authorized Signatory)
- President and Chief Executive Officer
- Chairman of the Executive Committee



4 Mr. Pornsanong Tuchinda
- Director (Authorized Signatory)
- Head of Commercial Banking
- Acting Head of Corporate and Investment Banking Group
- Senior Executive Vice President
- Executive Committee Member



5 Miss Nopporn Tirawattanagool
- Director (Authorized Signatory)
- Nomination and Remuneration Committee Member
- Risk and Compliance Committee Member



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



7 Mr. Virat Phairatphiboon
- Independent Director
- Chairman of the Risk and Compliance Committee
- Audit Committee Member
- Nomination and Remuneration Committee Member



8 Miss Potjanee Thanavaranit
- Independent Director
- Chairman of the Audit Committee



9 Mr. Toru Matsuda
- Director
- Risk and Compliance Committee Member



10 Miss Junko Kawano
- Director



11 Mrs. Tongurai Limpiti
- Independent Director
- Audit Committee Member
- Risk and Compliance Committee Member



12 Miss Duangdao Wongpanitkrit
- Director (Authorized Signatory)
- Chief Financial Officer
- First Executive Vice President, Finance Group
- Executive Committee Member

1 Mr. Karun Kittisataporn

- Chairman
- Independent Director

Age: 73 years

Nationality: Thai

Years of directorship: 12 years 8 months

Education and training:

- MA., (International Trade), Syracuse University, NY, USA (USAID Scholarship)
- BCA., Victoria University of Wellington, New Zealand (Colombo Plan Scholarship)
- Degree from the National Defence College Class 8, (Joint State - Private Sector)
- Certificate of Commercial Policy Course, GATT, Geneva
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017
- Krungsri Executive Forum: Leading Organization & People in Digital Age 2018, Year 2018
- Seminar on "Future Customer Experience in Financial and Banking Services", Year 2018
- IT Security Trend Update, Year 2018
- IT Governance & Cyber Resilience, Year 2019
- Bangkok Sustainable Banking Forum 2019 "An Industry Wake-up Call", Year 2019
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- IT Security Awareness, Virtual Training, Year 2020

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP), Year 2006
- Role of the Compensation Committee (RCC), Year 2008
- Audit Committee Program (ACP), Year 2009
- Financial Statements for Directors (FSD), Year 2009
- Financial Institutions Governance Program (FGP), Year 2011
- Monitoring the Quality of Financial Reporting (MFR), Year 2011
- Monitoring the Internal Audit Function (MIA), Year 2013
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Director Briefing "Sleeping Giants of Succession", Year 2017
- Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance, Year 2017
- Board Nomination and Compensation Program (BNCP), Year 2018
- IOD National Director Conference 2018 "Rising Above Disruptions: A Call for Action", Year 2018
- Risk Management Program for Corporate Leaders (RCL), Year 2019

Current positions:

- **Positions in Bank of Ayudhya PCL:**

Jul 1, 2019 – Present	Chairman
Apr 9, 2008 – Present	Independent Director

- **Positions in other listed companies (Two companies):**

Oct 9, 2019 – Present	Lead Independent Director, Central Pattana PCL
Apr 2015 – Present	Chairman of the Nomination and Remuneration Committee, Central Pattana PCL
Jan 2011 – Present	Audit Committee Member, Central Pattana PCL
Apr 2009 – Present	Independent Director, Central Pattana PCL
Nov 2008 – Present	Audit Committee Member, Sahamit Machinery PCL

- **Positions in non-listed companies/organizations (Three organizations):**

Oct 8, 2019 – Present	Chairman, Krungsri Foundation
Jan 16, 2017 – Present	Director, Krungsri Foundation
Jan 21, 2019 – Present	Vice Chairman, Committee 6, Council of State, Office of the Council of State
Apr 28, 2016 – Present	Member, Committee on International Economic Policy

Work experiences (in the last five years):

Jan 2017 – Dec 31, 2019	Member, ASEAN Association – Thailand
Apr 9, 2008 – Jun 30, 2019	Chairman of the Nomination and Remuneration Committee, Bank of Ayudhya PCL
Nov 1, 2017 – Jun 30, 2019	Risk Management Committee Member, Khon Kaen Sugar Industry PCL
Sep 2017 – Jun 30, 2019	Chairman of the Nomination and Remuneration Committee Member, Khon Kaen Sugar Industry PCL
Feb 2010 – Jun 30, 2019	Independent Director, Khon Kaen Sugar Industry PCL
Jun 26, 2013 – Oct 31, 2017	Corporate Governance Committee Member, Khon Kaen Sugar Industry PCL
Nov 2012 – Oct 31, 2017	Audit Committee Member, Khon Kaen Sugar Industry PCL
Feb 2010 – Sep 2017	Nomination and Remuneration Committee Member, Khon Kaen Sugar Industry PCL
Nov 2006 – Jan 20, 2019	Member, Committee 6, Council of State, Office of the Council of State
May 2008 – Oct 2017	Chairman of the Executive Committee, The SUPPORT Arts and Crafts International Centre of Thailand (Public Organization)

% Shareholding as of the latest record date on June 11, 2020 (including spouse and minor children): None

Family relationship with directors and executives: None

2 Mr. Noriaki Goto

- Vice Chairman (Authorized Signatory)
- Nomination and Remuneration Committee Member

Age: 58 years

Nationality: Japanese

Years of directorship: 7 years

Education and training:

- Master of Business Administration, Graduate School of Business, The University of Chicago, USA
- Bachelor of Arts (Law), School of Law, Waseda University, Japan
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017
- IT Security Trend Update, Year 2018
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- IT Security Awareness, Virtual Training, Year 2020

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP-English), Year 2015

Current positions:

- **Positions in Bank of Ayudhya PCL:**

May 15, 2019 – Present	Vice Chairman
May 15, 2019 – Present	Nomination and Remuneration Committee Member
Jan 2, 2014 – Present	Director (Authorized Signatory)

- **Positions in other listed companies:** None
- **Positions in non-listed companies/organizations (Three organizations):**

May 23, 2020 – Present	Chairman, MUFG Bank (China), Ltd.
Mar 23, 2020 – Present	Commissioner, PT Bank Danamon Indonesia, Tbk.
2019 – Present	Regional Executive for Asia Pacific, Mitsubishi UFJ Financial Group
May 15, 2019 – Present	Managing Executive Officer, Mitsubishi UFJ Financial Group

Work experiences (in the last five years):

Jan 16, 2017 – Dec 18, 2019	Vice Chairman, Secretary and Treasurer, Krungsri Foundation
Jan 5, 2015 – May 14, 2019	President and Chief Executive Officer, Bank of Ayudhya PCL
Jan 2, 2014 – May 14, 2019	Chairman of the Executive Committee, Bank of Ayudhya PCL
May 28, 2015 – Jun 23, 2016	Chairman, Krungsri Asset Management Co., Ltd.
May 14, 2014 – Jun 23, 2016	Director, Krungsri Asset Management Co., Ltd.

% Shareholding as of the latest record date on June 11, 2020 (including spouse and minor children): None

Family relationship with directors and executives: None

3 Mr. Seiichiro Akita

- Director (Authorized Signatory)
- President and Chief Executive Officer
- Chairman of the Executive Committee

Age: 54 years

Nationality: Japanese

Years of directorship: 1 year 7 months

Education and training:

- Master of Science in Management, Arthur D. Little School of Management, Massachusetts, USA
- Bachelor of Law, Keio University, Japan
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- IT Security Awareness, Virtual Training, Year 2020

Training and seminar held by Thai Institute of Directors Association (IOD): None

Current positions:

- **Positions in Bank of Ayudhya PCL:**

May 15, 2019 – Present	President and Chief Executive Officer
May 15, 2019 – Present	Director (Authorized Signatory)
May 15, 2019 – Present	Chairman of the Executive Committee

- **Positions in other listed companies:** None
- **Positions in non-listed companies/organizations (One organization):**

Dec 19, 2019 – Present	Vice Chairman and Treasurer, Krungsri Foundation

Work experiences (in the last five years):

Jun 13 – 25, 2020	Acting Head of JPC/MNC Banking, Bank of Ayudhya PCL
Aug 16, – Dec 31, 2019	Acting Head of Corporate Strategy and Planning Group, Bank of Ayudhya PCL
Jul 2018 – May 2019	Executive Officer, General Manager, Head of Japanese Corporate Banking for the Americas, MUFG Bank, Ltd. (New York, USA)
May 2017 – Jul 2018	Executive Officer, General Manager, Head of Asian Corporate Banking, MUFG Americas Holdings, MUFG Union Bank, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd. (New York, USA)
May 2015 – May 2017	Executive Officer, General Manager, Corporate Banking Division No. 3, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)

% Shareholding as of the latest record date on June 11, 2020 (including spouse and minor children): None

Family relationship with directors and executives: None

4 Mr. Pornsanong Tuchinda

- Director (Authorized Signatory)
- Head of Commercial Banking
- Acting Head of Corporate and Investment Banking Group
- Senior Executive Vice President
- Executive Committee Member

Age: 59 years

Nationality: Thai

Years of directorship: 5 years 3 months

Education and training:

- Master of Business Administration (Finance and Management), Babson College, Massachusetts, USA
- BA. (Economics and Political Science), The University of Michigan, Ann Arbor, Michigan, USA
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017
- IT Security Trend Update, Year 2018
- Bangkok Sustainable Banking Forum 2019 "An Industry Wake-up Call", Year 2019
- IT Security Awareness, Virtual Training, Year 2020

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Accreditation Program (DAP), Year 2004
- Audit Committee Program (ACP), Year 2006
- Director Certification Program (DCP), Year 2008

Current positions:

- **Positions in Bank of Ayudhya PCL:**

Sep 1, 2020 – Present	Acting Head of Corporate and Investment Banking Group
Oct 1, 2015 – Present	Director (Authorized Signatory)
Jan 5, 2015 – Present	Head of Commercial Banking
Feb 24, 2010 – Present	Executive Committee Member
Jan 13, 2010 – Present	Senior Executive Vice President

- **Positions in other listed companies:** None
- **Positions in non-listed companies/organizations:** None

Work experiences (in the last five years):

Jan 1 – Aug 31, 2020 and May 1 – Nov 27, 2018	Acting Head of Corporate Banking Group, Bank of Ayudhya PCL
May 1 – Nov 27, 2018	Acting Head of Corporate Credit Analysis Division, Bank of Ayudhya PCL
Jan 1 – Oct 15, 2018	Acting Head of Investment Banking Group, Bank of Ayudhya PCL
Dec 1, 2015 – Jan 31, 2017	Acting Head of Human Resources Group, Bank of Ayudhya PCL
Dec 1, 2015 – Jan 31, 2017	Secretary to the Nomination and Remuneration Committee, Bank of Ayudhya PCL
Apr 23 – Nov 8, 2018	Director (Authorized Signatory), Krungsri Securities PCL

% Shareholding as of the latest record date on June 11, 2020 (including spouse and minor children): None

Family relationship with directors and executives: None

5 Miss Nopporn Tirawattanagool

- Director (Authorized Signatory)
- Nomination and Remuneration Committee Member
- Risk and Compliance Committee Member

Age: 66 years

Nationality: Thai

Years of directorship: 10 years 8 months

Education and training:

- Master of Accounting, Faculty of Commerce and Accountancy, Thammasat University
- Bachelor of Business Administration (in Accounting), Thammasat University
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- CG Forum 2/2016 "Honest, Cautious, Protective for the Director", Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Future Customer Experience in Financial and Banking Services", Year 2018
- IT Security Trend Update, Year 2018
- IT Governance & Cyber Resilience, Year 2019
- Bangkok Sustainable Banking Forum 2019 "An Industry Wake-up Call", Year 2019
- Agile Leadership for Board of Directors, Year 2019
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- Cyber Resilience Leadership: "Tone from the Top", Bank of Thailand, Year 2020
- IT Security Awareness, Virtual Training, Year 2020

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Accreditation Program (DAP), Year 2003
- Role of the Compensation Committee (RCC), Year 2009
- Audit Committee Program (ACP), Year 2010
- Director Certification Program (DCP), Year 2010
- Financial Institutions Governance Program (FGP), Year 2011
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Risk Management Program for Corporate Leaders (RCL), Year 2015
- National Director Conference 2017 "Steering Governance in a Changing World", Year 2017
- IOD National Director Conference 2018 "Rising Above Disruptions: A Call for Action", Year 2018

Current positions:

- **Positions in Bank of Ayudhya PCL:**

Jan 1, 2015 – Present	Risk and Compliance Committee Member
Jan 2, 2014 – Present	Director (Authorized Signatory)
Apr 28, 2010 – Present	Nomination and Remuneration Committee Member
Apr 8, 2010 – Present	Director

- **Positions in other listed companies (Four companies):**

Apr 20, 2016 – Present	Director, Grand Canal Land PCL
May 6, 2015 – Apr 19, 2016	Director (Authorized Signatory), Grand Canal Land PCL
Oct 17, 2014 – Present	Director, Srivichaivejvivat PCL
Jul 22, 2014 – Present	Member of Nomination and Compensation Committee, Siam City Cement PCL
Apr 2012 – Present	Director, Siam City Cement PCL

May 14, 2013 – Present	Nomination and Remuneration Committee Member, Allianz Ayudhya Capital PCL (Formerly, Sri Ayudhya Capital PCL)
Apr 22, 2013 – Present	Director, Allianz Ayudhya Capital PCL (Formerly, Sri Ayudhya Capital PCL)

- **Positions in non-listed companies/organizations (Twenty three organizations):**

Dec 19, 2019 – Present	Director and Secretary, Krungsri Foundation
Apr 19, 2017 – Present	Director (Authorized Signatory), BBTV Asset Management Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), CKS Holding Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), Super Assets Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), C.K.R Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), The Bangkok Lighters Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), The Thai Tapioca Flour Produce Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), Cyber Venture Co., Ltd.
Apr 9, 2015 – Present	Director (Authorized Signatory), Khao Kheow Country Club Co., Ltd.
Apr 9, 2015 – Present	Director (Authorized Signatory), Siam Purimongkol Co., Ltd.
Dec 1, 2014 – Present	Director (Authorized Signatory), Grand Fortune Co., Ltd.
Apr 21, 2014 – Present	Director, Bangkok Broadcasting & TV Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory), BBTV Satelvision Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory), GL Asset Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory), Mahakij Holdings Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory), BBTV Productions Co., Ltd.
Jan 10, 2014 – Present	Director (Authorized Signatory), BBTV Alliance Ltd.
Jan 10, 2014 – Present	Director (Authorized Signatory), BBTV Bond Street Building Ltd.
Aug 2012 – Present	Director (Authorized Signatory), ITBC Business Consultant Group Co., Ltd.
Apr 2011 – Present	Director (Authorized Signatory), Exclusive Senior Care International Co., Ltd.
Sep 2010 – Present	Director (Authorized Signatory), BBTV International Holdings Co., Ltd.
Sep 2010 – Present	Director (Authorized Signatory), Sunrise Equity Co., Ltd.
Sep 2010 – Present	Director (Authorized Signatory), BBTV Equity Co., Ltd.

Work experiences (in the last five years):

Jul 22, 2014 – Mar 31, 2020	Member of Governance and Risk Committee, Siam City Cement PCL

% Shareholding as of the latest record date on June 11, 2020 (including spouse and minor children): None

Family relationship with directors and executives: None

6 Dr. Jamlong Atikul

- Independent Director
- Chairman of the Nomination and Remuneration Committee
- Audit Committee Member

Age: 72 years

Nationality: Thai

Years of directorship: 2 years 2 months

Education and training:

- Ph.D. in City and Regional Planning, Cornell University, USA
- Master of Commerce in Economics, University of Auckland, New Zealand
- Bachelor of Commerce and Administration in Economics, Victoria University of Wellington, New Zealand
- IT Security Trend Update, Year 2018
- IT Governance & Cyber Resilience, Year 2019
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- IT Security Awareness, Virtual Training, Year 2020

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP), Year 2006
- Director Accreditation Program (DAP), Year 2006
- Role of the Chairman Program (RCP), Year 2011

Current positions:

- **Positions in Bank of Ayudhya PCL:**

Jul 1, 2019 – Present	Chairman of the Nomination and Remuneration Committee
Nov 1, 2018 – Present	Nomination and Remuneration Committee Member
Nov 1, 2018 – Present	Independent Director
Nov 1, 2018 – Present	Audit Committee Member

- **Positions in other listed companies (Two companies):**

13 Jun 2019 – Present	Chairman, Allianz Ayudhya Capital PCL
13 Jun 2019 – Present	Independent Director, Allianz Ayudhya Capital PCL
2013 – Present	Chairman (Authorized Signatory), Regional Container Lines PCL
2006 – Present	Director, Regional Container Lines PCL

- **Positions in non-listed companies/organizations:** None

Work experiences (in the last five years):

2014 – 2017	Member of Monetary Policy Committee, Bank of Thailand

% Shareholding as of the latest record date on June 11, 2020 (including spouse and minor children): None

Family relationship with directors and executives: None

7 Mr. Virat Phairatphiboon

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

Age: 72 years

Nationality: Thai

Years of directorship: 22 years

Education and training:

- BA. in Economics and Business Administration, Adams State College, Colorado, USA
- Executive Development Program, Princeton University, USA
- Certificate of Managing Multinational Finance, Graduate Institute of Business Administration of Chulalongkorn University, Year 1985
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Future Customer Experience in Financial and Banking Services", Year 2018
- IT Security Trend Update, Year 2018
- IT Governance & Cyber Resilience, Year 2019
- Bangkok Sustainable Banking Forum 2019 "An Industry Wake-up Call", Year 2019
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- IT Security Awareness, Virtual Training, Year 2020

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP), Year 2002
- Audit Committee Program (ACP), Year 2004
- Role of the Compensation Committee (RCC), Year 2008
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Director Certification Program Update (DCPU), Year 2014

Current positions:

- **Positions in Bank of Ayudhya PCL:**

Feb 1, 2020 – Present	Nomination and Remuneration Committee Member
Oct 24, 2018 – Present	Chairman of the Risk and Compliance Committee
May 21, 1999 – Present	Audit Committee Member
Dec 2, 1998 – Present	Independent Director

- **Positions in other listed company (One company):**

May 2012 – Present	Chairman of the Audit Committee, Tipco Foods PCL
2007 – Present	Audit Committee Member, Tipco Foods PCL
2007– Present	Independent Director, Tipco Foods PCL

- **Positions in non-listed companies/organizations:** None

Work experiences (in the last five years):

Feb 21, 2007 – Oct 31, 2018	Nomination and Remuneration Committee Member, Bank of Ayudhya PCL

% Shareholding as of the latest record date on June 11, 2020 (including spouse and minor children): None

Family relationship with directors and executives: None

8 Miss Potjanee Thanavaranit

- Independent Director
- Chairman of the Audit Committee

Age: 74 years

Nationality: Thai

Years of directorship: 10 years 8 months

Education and training:

- MBA., Syracuse University, NY, USA (USAID Scholarship)
- Bachelor of Accountancy, Chulalongkorn University
- Certificate of Advanced General Insurance Program, Swiss Insurance Training Center, Switzerland (Swiss Re Scholarship)
- Certificate of Advanced Management Program, Australian Management College, Australia (COLOMBO Scholarship)
- Certificate of Executive Development Program (EDP.1 Class 18), Institute of the Civil Service Commission
- Degree from the National Defense College, Class 42
- Certificate of Top Executive Program, Capital Market Academy, Class 8
- Certificate of Top Executive Program in Commerce and Trade, Commerce Academy, Class 3
- Certificate of Advanced Security Management Program, The National Defense College Association of Thailand, Class 2
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- CG Forum 2/2016 "Honest, Cautious, Protective for the director", Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017
- IT Security Trend Update, Year 2018
- IT Governance & Cyber Resilience, Year 2019
- Bangkok Sustainable Banking Forum 2019 "An Industry Wake-up Call", Year 2019
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- IT Security Awareness, Virtual Training, Year 2020

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP), Year 2002
- Role of the Chairman Program (RCP), Year 2006
- Role of the Compensation Committee (RCC), Year 2007
- Audit Committee Program (ACP), Year 2010
- Financial Institutions Governance Program (FGP), Year 2011
- Advanced Audit Committee Program (completed ACP, MIA, MFM, MFR, MIR), Year 2013
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Director Certification Program Update (DCPU), Year 2014
- Driving Company Success with IT Governance (ITG), Year 2016
- Audit Committee Forum "New Auditor's Report: What is it for you?", Year 2016
- IOD National Director Conference 2018 "Rising Above Disruptions: A Call for Action", Year 2018

Current positions:

- **Positions in Bank of Ayudhya PCL:**

Apr 25, 2012 – Present	Chairman of the Audit Committee
Apr 8, 2010 – Present	Independent Director

- **Positions in other listed companies (Five companies):**

Jul 7, 2020 – Present	Chairman of the Audit Committee, Thai Reinsurance PCL
Apr 2014 – Present	Audit Committee Member, Thai Reinsurance PCL
May 2007 – Present	Independent Director, Thai Reinsurance PCL

Nov 14, 2017 – Present	Independent Director, Berli Jucker PCL
Nov 14, 2017 – Present	Chairman of Risk Management Committee, Berli Jucker PCL
May 2014 – Present	Chairman of the Remuneration Committee, Oishi Group PCL
May 2014 – Present	Chairman of the Good Corporate Governance Committee, Oishi Group PCL
Feb 2009 – Present	Independent Director, Oishi Group PCL
Feb 2009 – Present	Audit Committee Member, Oishi Group PCL
Apr 2007 – Present	Independent Director, Bangkok Insurance PCL
Apr 2007 – Present	Audit Committee Member, Bangkok Insurance PCL
2007 – Present	Chairman of the Board (Independent Director), Univentures PCL
2007 – Present	Audit Committee Member, Univentures PCL
2007 – Present	Chairman of the Compensation and Nomination Committee, Univentures PCL

- **Positions in non-listed companies/organizations (Six organizations):**

Mar 20, 2020 – Present	Chairperson of the Committee on Audit and Evaluation, Office of the National Anti-Corruption Commission
Feb 1, 2019 – Present	Audit Committee Member, Thai Beverage PCL (Listed in Singapore Exchange)
Jan 31, 2018 – Present	Independent Director, Thai Beverage PCL (Listed in Singapore Exchange)
Feb 27, 2018 – Present	Honorary Members, Mae Fah Luang University Council
Jun 26, 2017 – Present	Vice Chairman, Thai Institute of Directors Association
May 29, 2017 – Present	Director, Thai Institure of Directors Association
Jan 16, 2017 – Present	Director, Krungsri Foundation
Oct 2006 – Present	Member of the Council of State, Office of the Council of State

Work experiences (in the last five years):

Mar 24, 2017 – Aug 4, 2020	Qualified member of the Committee, Thai Investors Association
2007 – Jun 2020	Qualified member of the Committee, The Federation of Thai Insurance Organization
May 3, 2016 – Nov 13, 2017	Chairman of the Audit Committee, Big C Supercenter PCL
Apr 25, 2016 – Nov 13, 2017	Independent Director, Big C Supercenter PCL
Jun 2009 – Mar 21, 2016	Independent Director, Berli Jucker PCL

% Shareholding as of the latest record date on June 11, 2020 (including spouse and minor children): None

Family relationship with directors and executives: None

9 Mr. Toru Matsuda

- Director
- Risk and Compliance Committee Member

Age: 63 years

Nationality: Japanese

Years of directorship: 2 years 6 months

Education and training:

- Bachelor's degree of Commerce and Management, Hitotsubashi University
- IT Security Trend Update, Year 2018
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- IT Security Awareness, Virtual Training, Year 2020

Training and seminar held by Thai Institute of Directors Association (IOD): None

Current positions:

- **Positions in Bank of Ayudhya PCL:**

Jul 1, 2018 – Present	Director
Jul 1, 2018 – Present	Risk and Compliance Committee Member

- **Positions in other listed companies:** None
- **Positions in non-listed companies/organizations (One organization):**

2016 - present	President, Mitsubishi UFJ Kokusai Asset Management Co., Ltd.

Work experiences (in the last five years):

2014 - 2016	Managing Executive Officer, Deputy Group Head of Integrated Global Business Group and Integrated Global Markets Business Group, Mitsubishi UFJ Financial Group
2013 - 2016	Deputy President, Chief Executive, Markets and Global Business Unit, Mitsubishi UFJ Trust and Banking Corporation

% Shareholding as of the latest record date on June 11, 2020 (including spouse and minor children): None

Family relationship with directors and executives: None

10 Miss Junko Kawano

- Director

Age: 51 years

Nationality: Japanese

Years of directorship: 2 years 5 months

Education and training:

- Bachelor's degree of Mathematics, Tokyo Woman's Christian University, Japan
- IT Security Trend Update, Year 2018
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- IT Security Awareness, Virtual Training, Year 2020

Training and seminar held by Thai Institute of Directors Association (IOD): None

Current positions:

- **Positions in Bank of Ayudhya PCL:**

Aug 1, 2018 – Present	Director

- **Positions in other listed companies:** None
- **Positions in non-listed companies/organizations (One organization):**

Mar 1, 2021 – Present	Managing Executive Officer, Mitsubishi UFJ Research and Consulting Co., Ltd.

Work experiences (in the last five years):

Jun 12 2020 – Feb 28, 2021	Managing Executive Officer, Mitsubishi UFJ Information Technology, Ltd.
Apr 1, 2018 – Feb 28, 2021	Managing Director, Head of Informations Systems Planning Division, Head of Information Systems Development & Operations Division, MUFG Bank, Ltd. (Tokyo, Japan)
2017 – Mar 31, 2018	General Manager, Head of Informations Systems Planning Division, Head of Information Systems Development & Operations Division, MUFG Bank, Ltd. (Tokyo, Japan)
2016 – 2017	Chief Manager, Head of Global Systems Sites Department of Information Systems Planning Division, MUFG Bank, Ltd. (Tokyo, Japan)
2015 – 2016	Chief Manager, Deputy Head of Global Systems Sites Department of Information Systems Office, MUFG Bank, Ltd. (Tokyo, Japan)

% Shareholding as of the latest record date on June 11, 2020 (including spouse and minor children): None

Family relationship with directors and executives: None

11 Mrs. Tongurai Limpiti

- Independent Director
- Audit Committee Member,
- Risk and Compliance Committee Member

Age: 64 years

Nationality: Thai

Years of directorship: 1 year

Education and training:

- MBA., University of Wisconsin, Madison, USA
- Bachelor of Accountancy, Chulalongkorn University
- The National Defence Course class 52, the National Defence College of Thailand (NDC)
- Capital Market Academy Programs class 12, Capital Market Academy (CMA)
- Advanced Management Program (AMP) Harvard Business School, USA
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- Cyber Resilience Leadership: "Tone from the Top", Bank of Thailand, Year 2020
- IT Security Awareness, Virtual Training, Year 2020

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP), Year 2001
- Director Certification Program Update (DCPU), Year 2015
- Chartered Director Class, Board that Make a Difference
- Advance Audit Committee Program (AACP), Year 2019
- IT Governance and Cyber Resilience Program (ITG), Year 2020
- Role of the Chairman Program (RCP), Year 2020

Current positions:

- **Positions in Bank of Ayudhya PCL:**

Feb 1, 2020 – Present	Risk and Compliance Committee Member
Feb 1, 2020 – Present	Audit Committee Member
Jan 2, 2020 – Present	Independent Director

- **Positions in other listed companies (Two companies):**

2019 – Present	Independent Director, Thai President Foods PCL
2019 – Present	Corporate Governance and Risk Management Committee Member, Thai President Foods PCL
2016 – Present	Chairman, Bangkok Commercial Asset Management PCL

- **Positions in non-listed companies/organizations (Four organizations):**

2018 – Present	Advisor, Chulalongkorn Cancer Immunotherapy Fund
2017 – Present	Qualified member of the Committee, Thai Investors Association
2017 – Present	Member, Financial Policy and Asset Committee Srinakarinwirot University
2016 – Present	Advisor, Electronic Transactions Development Agency

Work experiences (in the last five years):

2017 – 2020	Member, Civil System Development for Promotion of Good Public Management
2019 – Dec 2019	Independent Director, CIMB Group
2018 – Dec 2019	Consultant, SCB ABACUS
2017 – Dec 2019	Director and Chairman of the Audit Committee, Thai Credit Guarantee Corporation
2016 – 2018	Chairman, Aira Factoring PCL
2014 – 2016	Deputy Governor Financial Institutions Stability, Bank of Thailand

% Shareholding as of the latest record date on June 11, 2020 (including spouse and minor children): None

Family relationship with directors and executives: None

12 Miss Duangdao Wongpanitkrit [1/]

- Director (Authorized Signatory)
- Chief Financial Officer
- First Executive Vice President
- Finance Group
- Executive Committee Member

Age: 51 years

Nationality: Thai

Years of directorship: 4 years 9 months

Education:

- MBA. (Financial Accounting), Chulalongkorn University
- Bachelor of Business Administration (Accounting), Thammasat University

External trainings:

- Certified Public Accountant (CPA Thailand)[2/]
- Seminar on "Learning for KAM's development in order to truly benefit the Thai capital market", Thai Listed Companies Association, Year 2017[2/]
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017
- IT Security Trend Update, Year 2018
- Bangkok Sustainable Banking Forum 2019 "An Industry Wake-up Call", Year 2019
- IT Governance & Cyber Resilience, Year 2019
- CFO Professional Development Program (TLCA CFO CPD) "How important are intangible assets impairments?" "How important of Employee Benefit Actuarial Valuation?", Year 2019[2/]
- CFO Professional Development Program (TLCA CFO CPD) "The CFO's role in stakeholder communications" (English Session), Year 2019[2/]
- Deloitte CFO Vision Conference Bangkok, Year 2019[2/]
- PwC Thailand's 2019 Symposium, Year 2019[2/]
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- IT Security Awareness, Virtual Training, Year 2020
- Seminar on "How Thai Credits will ride out this Pandemic Storm?", Year 2020
- Seminar on "How PTSB responded to the global financial crisis and what lessons could be learned for the COVID-19 recovery?", Year 2020
- Deloitte CFO Webinar: Responding to Covid-19 | Virtual Finance Operations[2/], Year 2020
- CFO Professional Development Program (TLCA CFO CPD) "Transfer Pricing", Year 2020[2/]
- CFO Professional Development Program (TLCA CFO CPD) "Related party transaction and impairment issues", Year 2020[2/]
- CFO Professional Development Program (TLCA CFO CPD) "Capital structure and funding strategy", Year 2020[2/]
- CFO Professional Development Program (TLCA CFO CPD) "How to create value with the right environment, social and governance strategies", Year 2020[2/]
- Cyber Resilience Leadership: "Tone from the Top", Bank of Thailand, Year 2020
- CFO Professional Development Program (TLCA CFO CPD) "Update on taxes and foreign investment issues", Year 2020[2/]
- Deloitte SEA CFO Virtual Forum – Regional economic outlook : Five imperatives for the new normal[2/], Year 2020
- Roles and Responsibilities of Audit Committee, IFC, Year 2020

Training and seminar held by Thai Institute of Directors Association (IOD):

- Financial Institutions Governance Program (FGP), Year 2011
- Director Certification Program (DCP), Year 2013
- Risk Management Committee Program (RMP), Year 2013
- Corporate Governance for Capital Market Intermediaries (CGI), Year 2015
- Boards Matters and Trends (BMT), Year 2017
- Strategic Board Master Class (SBM), Year 2018
- Risk Management Program for Corporate Leaders (RCL), Year 2018
- IOD National Director Conference 2018 "Rising Above Disruptions: A Call for Action", Year 2018
- IT Governance and Cyber Resilience Program (ITG), Year 2018
- Boards that Make a Difference (BMD), Year 2019
- Ethical Leadership Program (ELP), Year 2020

Current positions:

- **Positions in Bank of Ayudhya PCL:**

Mar 28, 2016 – Present	Director (Authorized Signatory)
Apr 1, 2013 – Present	First Executive Vice President, Finance Group
Jan 1, 2013 – Present	Chief Financial Officer
Jan 1, 2013 – Present	Executive Committee Member

- **Positions in other listed companies:** None
- **Positions in non-listed companies/organizations (Three organizations):**

Jul 22, 2019 – Present	Director (Authorized Signatory), Krungsri Nimble Co., Ltd.
Mar 27, 2017 – Present	Director (Authorized Signatory), Krungsri Finnovate Co., Ltd.
Sep 12, 2016 – Present	Director, Hattha Bank Plc. (Formerly, Hattha Kaksekar Limited)

Work experiences:

- **In accounting and finance (in the last five years):**

May 29, 2015 – Mar 2019	Director Ngern Tid Lor Co., Ltd.
Nov 26, 2015 – Apr 27, 2018	Director (Authorized Signatory), Ayudhya Development Leasing Co., Ltd.
Nov 2009 – May 14, 2017	Director (Authorized Signatory), Ayudhya Capital Services Co., Ltd.
May 4, 2016 – May 4, 2017	Director (Authorized Signatory), Krungsri Factoring Co., Ltd.
Apr 21, 2015 – May 3, 2017	Director Krungsri Ayudhya AMC Ltd.
Jan 2013 – Feb 29, 2016	Director (Authorized Signatory), Ayudhya Capital Auto Lease PCL

- **Others (in the last seven years):** None
- **Positions receiving remuneration in for-profit companies/ organizations:** None

% Shareholding as of the latest record date on June 11, 2020 (including spouse and minor children): None

Family relationship with directors and executives: None

Remarks:

[1/] The Person taking the Highest Responsibility in Finance and Accounting.

[2/] The Orientation Course in Accounting / Finance and Continuing Development Course in Accounting

EXECUTIVES AND PERSONS WITH MANAGERIAL AUTHORITY OF KRUNGSRI

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
1. Mr. Dan Harsono [1/] Age 60 years - Senior Advisor (Jan 1, 2021)* - Head of Retail and Consumer Banking (Jul 1, 2015) - Senior Executive Vice President (Sep 1, 2015) - Executive Committee Member (Jul 1, 2015) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None- **Remark:** Retired from Krungsri, effective January 1, 2021 * Last update information after December 31, 2020 (No longer be the executive as defined by the Capital Market Supervisory Board, effective January 1, 2021)	- Master of Business Administration in Finance and Marketing, Indiana University, Bloomington, IN, USA - Bachelor of Science Cum Laude, Biomedical and Electrical Engineering (Honors Program), University of Southern California, LA, USA - Strategic IT Governance (for non-IT), Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP-English), Year 2008 • Corporate Governance for Capital Market Intermediaries (CGI), Year 2016 • Director Diploma Examination Program (Fellow Member), Year 2019 • Director Accreditation Program (DAP-English), Year 2020	Jan 1, 2021 – Present*	Senior Advisor	Bank of Ayudhya PCL
		Sep 1, 2015 – Dec 31, 2020	Senior Executive Vice President	
		Jul 1, 2015 – Dec 31, 2020	Head of Retail and Consumer Banking	
		Jul 1, 2015 – Dec 31, 2020	Executive Committee Member	
		Jul 1, 2015 – Jan 31, 2016	Acting Head of Personal Loan Division	
		Jan 7, 2015 – Jan 31, 2016	Acting Head of E-Business Division	
		Other Companies / Organization		
		Jan 8, 2021 – Present	Director (Authorized Signatory)	Krungsri Securities PCL
		Sep 28, 2015 – Jan 7, 2021	Chairman (Authorized Signatory)	
		Sep 12, 2016 – Present	Chairman	Hattha Bank Plc. (Formerly, Hattha Kaksekar Limited)
		Sep 30, 2015 – Dec 31, 2020	Chairman (Authorized Signatory)	Ngern Tid Lor PCL
		May 29, 2015 – Dec 31, 2020	Director	
		Sep 29, 2014 – Dec 31, 2020	Chairman (Authorized Signatory)	Krungsri Leasing Services Co., Ltd.
		Jul 7, 2016 – Dec 31, 2020	Chairman	Krungsri Asset Management Co., Ltd.
		Sep 8, 2015 – Jan 31, 2020	Chairman (Authorized Signatory)	Tesco Lotus Money Services Ltd.
2. Mrs. Voranuch Dejakaisaya [1/] Age 60 years - Chief Information and Operations Officer (Jan 1, 2017) - First Executive Vice President (Jul 8, 2009) - Executive Committee Member (Jan 1, 2017)	- MBA., Chulalongkorn University - BA. in Statistics, Faculty of Commerce and Accountancy, Chulalongkorn University - Strategic IT Governance (for non-IT), Year 2017 - Bangkok Sustainable Banking Forum 2019 "An Industry Wake-up Call", Year 2019	Jan 1, 2017 – Dec 31, 2020	Chief Information and Operations Officer	Bank of Ayudhya PCL
		Jan 1, 2017 – Dec 31, 2020	Executive Committee Member	
		Jul 8, 2009 – Dec 31, 2020	First Executive Vice President	
		Jan 1 – Dec 31, 2016	Deputy Chief Information and Operations Officer	
		Jan 1 – Dec 31, 2016	Acting Head of IT Strategic and Program Management Office Division	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
2. Mrs. Voranuch Dejakaisaya (Cont') **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None- **Remark:** Retired from Krungsri, effective January 1, 2021	- Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2006 • Finance for Non-Finance Director (FND), Year 2006 • Corporate Governance For Capital Market Intermediaries (CGI), Year 2015 • Driving Company Success with IT Governance (ITG), Year 2016 • Board Matters and Trends (BMT), Year 2017 • Risk Management Program for Corporate Leaders (RCL), Year 2018 • IT Governance and Cyber Resilience Program (ITG), Year 2018 • Board that Make a Difference (BMD), Year 2019 • Advanced Audit Committee Program (AACP), Year 2020 • Corruption Risk & Control: Technical update 7/2020	**Other Companies/ Organizations**		
		Oct 25, 2019 – Dec 31, 2020	Director	Hattha Bank Plc. (Formerly, Hattha Kaksekar Limited)
		Aug 28, 2019 – Dec 31, 2020	Director (Authorized Signatory)	Krungsri Asset Management Ltd.
		Jul 22, 2019 – Dec 31, 2020	Director (Authorized Signatory)	Krungsri Nimble Co., Ltd.
		Mar 27, 2017 – Dec 31, 2020	Director	Krungsri Finnovate Co., Ltd.
		Jan 1, 2017 – Jan 14, 2021	Director	National ITMX Co., Ltd.
		Mar 9, 2018 – Mar 17, 2020	Chairman of the Audit Committee	
		Apr 3, 2015 – Dec 31, 2020	Director (Authorized Signatory)	Krungsri Securities PCL
		Nov 2009 – Aug 30, 2019	Director (Authorized Signatory)	Total Services Solutions PCL
		Apr 21, 2015 – May 6, 2018	Director	Ayudhya Capital Services Co., Ltd.
3. Mr. Yoshiyuki Horio Age 49 years - Head of JPC/MNC Banking (Jun 26, 2020) - First Executive Vice President (Jun 11, 2020) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-	- Bachelor of Industrial Engineering, Tokyo Institute of Technology, Japan	Jun 26, 2020 – Present	Head of JPC/MNC Banking	Bank of Ayudhya PCL
		Jun 11, 2020 – Present	First Executive Vice President	
		Other Companies / Organization		
		Mar 2018 -10 Jun 2020	Managing Director, Head of Japanese Corporate Banking Division	MUFG Bank, Ltd., Hong Kong
		Jan 2016 – Mar 2018	Chief Manager, Global Human Resources Office	MUFG Bank, Ltd., H.O.
		Mar 2014 – Jan 2016	Senior Manager, Global Human Resources Office	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
4. Mr. Sayam Prasitsirigul [1/] Age 51 years - Chief Information and Digital Officer (Jan 1, 2021)* - First Executive Vice President (Jul 1, 2011) - Executive Committee Member (Jan 1, 2021)* **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None- **Remark:** * Last update information after December 31, 2020	- MBA. (Finance), The Peter F. Drucker Center, The Claremont Graduate School, California, USA - Bachelor of Electrical Engineering, Chulalongkorn University - Strategic IT Governance (for non-IT), Year 2017	Jan 1, 2021 – Present*	Chief Information and Digital Officer	Bank of Ayudhya PCL
		Jan 1, 2021 – Present*	Executive Committee Member	
		Jul 1, 2011 – Present	First Executive Vice President	
		Sep 1 – Dec 31, 2020	Deputy Chief Information and Operations Officer	
		Sep 1 – Dec 31, 2020	Acting Head of Digital Banking and Innovation	
		Jan 1, 2017 – Aug 31, 2020	Head of SME Banking Group	
		Jan 1, 2018 – Oct 31, 2019	Acting Head of SME Credit Analysis Division	
		Jul 1, 2015 – Dec 31, 2016	Head of Retail and Commercial Banking Products Group	
		Jul 1, 2015 – Dec 31, 2016	Acting Head of Retail and Consumer Product Management Division	
		Other Companies/ Organizations		
		Jan 15, 2021 – Present*	Director	National ITMX Co., Ltd.
		Jan 13, 2021 – Present*	Director	Krungsri Finnovate Co., Ltd.
		Jan 6, 2021 – Present*	Director (Authorized Signatory)	Krungsri Nimble Co., Ltd.
		Mar 26, 2015 – Apr 17, 2019	Chairman (Authorized Signatory)	Ayudhya Development Leasing Co., Ltd.
		Jul 25, 2012 – Oct 24, 2017	Chairman (Authorized Signatory)	Krungsri Factoring Co., Ltd.
		Jul 7, 2016 – May 3, 2017	Director (Authorized Signatory)	Krungsri Asset Management Co., Ltd.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
5. Mr. Chandrashekar Subramanian Krishoolndmangalam [1/] Age 58 years - Chief Risk Officer (Jan 3, 2007) - Senior Executive Vice President (Sep 1, 2020) - Executive Committee Member (Jan 3, 2007) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-	- Master in Commerce, Bombay University, India - Strategic IT Governance (for non-IT), Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP-English), Year 2008	Sep 1, 2020 – Present	Senior Executive Vice President	Bank of Ayudhya PCL
		Jan 3, 2007 – Present	Chief Risk Officer	
		Jan 3, 2007 – Present	Executive Committee Member	
		Jan 3, 2007 – Aug 31, 2020	First Executive Vice President	
		Other Companies / Organizations		
		Oct 20, 2020 – Present	Director (Authorized Signatory)	SB Finance Company, Inc.
		Sep 12, 2016 – Present	Director	Hattha Bank Plc. (Formerly, Hattha Kaksekar Limited)
		May 29, 2015 – Present	Director	Ngern Tid Lor PCL
		Apr 17, 2019 – Present	Chairman (Authorized Signatory)	Ayudhya Development Leasing Co., Ltd.
		Mar 26, 2015 – Present	Director (Authorized Signatory)	
		May 7, 2014 – Jul 21, 2019	Director (Authorized Signatory)	Krungsri Factoring Co., Ltd.
		Apr 21, 2015 – Present	Chairman (Authorized Signatory)	Krungsri Ayudhya AMC Ltd.
		May 2008 – Present	Director (Authorized Signatory)	
		Apr 2008 – Apr 21, 2020	Director (Authorized Signatory)	Ayudhya Capital Auto Lease PCL
6. Miss Puntipa Hannoraseth Age 52 years - Head of Internal Audit Group (Apr 27, 2009) - First Executive Vice President (Apr 1, 2013) - Secretary to the Audit Committee (Sep 16, 2010) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-	- MBA., Thammasat University - Bachelor of Accounting (1st Class Honor), Thammasat University - Certified Public Accountant (CPA Thailand) - Certified Internal Auditor - 2020 Global Leaders Forum, Year 2020 - Seminar of Chief Audit Executive (CAE) Forum 2020 "IA Transformation", Year 2020	Apr 1, 2013 – Present	First Executive Vice President	Bank of Ayudhya PCL
		Sep 16, 2010 – Present	Secretary to the Audit Committee	
		Apr 27, 2009 – Present	Head of Internal Audit Group	
		Jan 7, 2015 – Apr 15, 2017	Acting Head of Internal Audit Division	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
6. Miss Puntipa Hannoraseth (Cont')	- Seminar of The Institute of International Auditors Thailand's Annual Conference 2020 "IA's New Value Proposal During and After the Crisis" and discussion in the topic of "Internal Audit Working Smarter and Stronger Than Ever", Year 2020 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Company Secretary Program (CSP), Year 2009 • Audit Committee Program (ACP), Year 2009 • Advanced Audit Committee Program (Completed ACP, MIA, MFM, MFR, MIR), Year 2010			
7. Mr. Tak Bunnag Age 60 years - Senior Advisor (Jan 1, 2021)* - Head of Global Markets Group (Jan 5, 2015) - First Executive Vice President (Jul 1, 2015) - Executive Committee Member (Jan 5, 2015) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None- **Remark:** Retired from Krungsri, effective January 1, 2021 * Last update information after December 31, 2020 (No longer be the executive as defined by the Capital Market Supervisory Board, effective January 1, 2021)	- MBA. (Finance), Golden Gate University, USA - BS. (Management), Golden Gate University, USA - BS. (Banking and Finance), Chulalongkorn University - Strategic IT Governance (for non-IT), Year 2017	Jan 1, 2021 – Present*	Senior Advisor	Bank of Ayudhya PCL
		Jul 1, 2015 – Dec 31, 2020	First Executive Vice President	
		Jan 5, 2015 – Dec 31, 2020	Head of Global Markets Group	
		Jan 5, 2015 – Dec 31, 2020	Executive Committee Member	
		Other Companies/ Organizations		
		Apr 26, 2017 – Apr 16, 2019	Director	Tris Corporation Ltd.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
8. Mr. Pairote Cheunkrut [1/] Age 55 years - Chief Strategy Officer (Jan 1, 2020) - First Executive Vice President (Oct 1, 2014) - Executive Committee Member (Jan 1, 2020) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-	- Master of Business Administration, Oklahoma City University, USA - Bachelor of Accounting, Bangkok University	Jan 1, 2020 – Present	Chief Strategy Officer	Bank of Ayudhya PCL
		Jan 1, 2020 – Present	Executive Committee Member	
		Oct 1, 2014 – Present	First Executive Vice President	
		Oct 1, 2015 – Dec 31, 2019	Head of Krungsri Auto Group	
		Other Companies/ Organizations		
		Sep 1, 2020 – Present	Chairman (Authorized Signatory)	Krungsri Finnovate Co., Ltd.
		Jan 1, 2020 – Present	Director	
		Sep 1, 2020 – Present	Chairman (Authorized Signatory)	Krungsri Nimble Co., Ltd.
		Jan 1, 2020 – Present	Director	
		Apr 3, 2014 – Apr 1, 2020	Director	Krungsri Leasing Services Co., Ltd.
		Aug 19, 2015 – Present	Chairman (Authorized Signatory)	Ayudhya Capital Auto Lease PCL
		Nov 10, 2008 – Present	Director (Authorized Signatory)	
9. Mr. Vasin Udomratchatavanich [1/] Age 48 years - Chief Human Resources Officer* (Jun 1, 2019) - First Executive Vice President (Sep 1, 2020) - Executive Committee Member (Jun 1, 2019) - Secretary to the Nomination and Remuneration Committee (Apr 25, 2019) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None- **Remark:** * Adjustment is made to the English name while Thai name remains unchanged.	- Ph.D. in Technology Management, Stevens Institute of Technology - Master of Engineering, Stevens Institute of Technology - Bachelor of Engineering, Kasetsart University - Bangkok Sustainable Banking Forum 2019 "An Industry Wake-up Call", Year 2019	Sep 1, 2020 – Present	First Executive Vice President	Bank of Ayudhya PCL
		Jun 1, 2019 – Present	Chief Human Resources Officer*	
		Jun 1, 2019 – Present	Executive Committee Member	
		Apr 25, 2019 – Present	Secretary to the Nomination and Remuneration Committee	
		Apr 1, 2014 – Aug 31, 2020	Executive Vice President	
		Apr 25 – May 31, 2019	Acting Head of Human Resources Group	
		May 1, 2016 – May 31, 2019	Head of Organization Development Division	
		Dec 1, 2015 – Apr 30, 2016	Acting Head of Human Resources Business Partner Division 1	
		Oct 1, 2015 – Apr 30, 2016	Acting Head of HR Strategy and Development Division	
		Aug 17, 2015 – Apr 30, 2016	Acting Head of Human Resources Management Division	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
9. Mr. Vasin Udomratchatavanich (Cont')		**Other Companies/ Organizations**		
		Jun 15, 2020 – Present	Director	Ngern Tid Lor PCL
		Jul 22, 2019 – Present	Director	Krungsri Nimble Co., Ltd.
10. Mr. Yoshio Ueyama Age 48 years - Chief Credit Officer (Jan 3, 2018) - Executive Vice President (Nov 6, 2017) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-	- Bachelor of Arts in Economics, Hitotsubashi University, Japan	Jan 3, 2018 – Present	Chief Credit Officer	Bank of Ayudhya PCL
		Nov 6, 2017 – Present	Executive Vice President	
		Other Companies/ Organizations		
		Oct 2015 – Nov 2017	Chief Manager, Head of Country Credit Team, Department No. 3, International Credit Division	MUFG Bank, Ltd. (Singapore)
11. Mrs. Yingluk Kongkasai Age 58 years - Head of Transaction Banking Group (Jan 1, 2019) - Executive Vice President (Jun 2009) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-	- Master of Business Administration, Oregon State University, USA - Bachelor of Arts in Accountancy (Banking and Finance), Chulalongkorn University - Advanced Management Program for Overseas Bankers, The Wharton School, University of Pennsylvania, USA	Jan 1, 2019 – Present	Head of Transaction Banking Group	Bank of Ayudhya PCL
		Jun 2009 – Present	Executive Vice President	
		Apr 1, 2018 – May 1, 2019	Acting Head of Payment Solutions Division	
		Apr 1 – Dec 31, 2018	Deputy Head of Transaction Banking Group	
		Apr 1 – May 31, 2018	Acting Head of Sales and Business Promotion Division	
		Nov 2015 – Mar 2018	Head of Transaction Banking Division	
12. Mr. Thitivorn Chothayaphorn Age 51 years - Head of Legal Group (Jan 1, 2020) - Executive Vice President (Apr 1, 2014) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-	- Thai Bar Association - Bachelor of Law, Ramkhamhaeng University	Jan 1, 2020 – Present	Head of Legal Group	Bank of Ayudhya PCL
		Apr 1, 2014 – Present	Executive Vice President	
		Apr 1, 2014 – Dec 31, 2019	Head of Legal Division	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
13. Mr. Saengchart Wanichwatphibun Age 52 years - Chief Compliance Officer (Jul 1, 2015) - Executive Vice President (Aug 16, 2007) - Data Protection Officer-Compliance (May 26, 2020) - Risk and Compliance Committee Secretary (2015) **% Shareholding** 2/ -None- **Family Relationship with Directors and Executives** -None-	- Master in Marketing (MIM8), Thammasat University - Master of Applied Finance, Monash University, Melbourne, Australia - Bachelor of Science, Business Administration, Option in Accounting: University of California, Los Angeles, USA - MUFG Global Leaders Forum (GLF) by International Institute for Management Development (IMD Business School) in Lausanne, Switzerland, Year 2020 - Krungsri Transcend Program for senior executives by Harvard Business School, Year 2018 - Future Leader for Future Business for EVP by Assumption University (ABAC), Year 2014 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Accreditation Program (DAP), Year 2010 • Anti-Corruption for Executive Program (ACEP), Year 2013 • Advance Audit Committee Program (AACP), Year 2014	May 26, 2020 – Present	Data Protection Officer-Compliance	Bank of Ayudhya PCL
		Jul 1, 2015 – Present	Chief Compliance Officer	
		Aug 16, 2007 – Present	Executive Vice President	
		2015 – Present	Risk and Compliance Committee Secretary	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
14. Mr. Nuttawit Boonyawat [1/] Age 58 years - First Executive Vice President, Office of the President and CEO (Jan 5, 2015) - Advisor to the President and CEO (Jan 5, 2015) **% Shareholding** [2/] 0.0000% (1 share) **Family Relationship with Directors and Executives** -None-	- Master of Science, Abilene Christian University, USA - Bachelor of Arts (Economics), University of the Thai Chamber of Commerce - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Accreditation Program (DAP), Year 2005	Jan 5, 2015 – Present	First Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		Jan 5, 2015 – Present	Advisor to the President and CEO	
		Other Listed Companies		
		Apr 24, 2015 – Present	Director Executive Director	Eastern Star Real Estate PCL
		Apr 28, 2014 – Oct 31, 2019	Director Executive Director	Matching Maximize Solution PCL
		Other Companies/ Organizations		
		May 6, 2018 – Present	Director	Krungsri Ayudhya AMC Ltd.
		Sep 14, 2017 – Present	Director Executive Director	Eastern Star Resort Co., Ltd.
		Feb 23, 2015 – Present	Director (Authorized Signatory)	Home Sukhumvit Co., Ltd.
		Oct 6, 2010 – Present	Director (Authorized Signatory)	Grand Larn Luang Co., Ltd.
		Nov 13, 1997 – Present	Director	K.S. Fortune Co., Ltd.
15. Mr. Somwang Toraktrakul [1/] Age 52 years - Executive Vice President, Office of the President and CEO (Jan 1, 2017) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-	- Bachelor of Business Management (Marketing), Royal Melbourne Institute of Technology, Australia	Jan 1, 2017 – Present	Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		May 1 – Dec 31, 2016	Executive Vice President, Head of Marketing Planning Division and Acting Head of Marketing Management Department	
		Oct 1, 2015 – Apr 30, 2016	Executive Vice President, Head of Marketing and Branding Division	
		Other Companies/ Organizations		
		Jan 1, 2017 – Present	Managing Director	Krungsriayudhya Card Co., Ltd.
		Jan 1, 2017 – Present	Director (Authorized Signatory)	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
16. Miss Saisunee Hanprathueangsil [1/] Age 52 years - Executive Vice President, Office of the President and CEO (Nov 1, 2019) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-	- Bachelor of Computer Science & Mathematics & Statistics, Deakin University, Australia - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2019	Nov 1, 2019 – Present	Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		Jun 15, 2019 – Oct 31, 2019	Executive Vice President, Head of Tech Innovation Department, Digital Banking and Innovation Division	
		Other Companies/ Organizations		
		Nov 1, 2019 – Present	Managing Director	Krungsri Nimble Co., Ltd.
		Nov 1, 2019 – Present	Director (Authorized Signatory)	
		Nov 26, 2016 – Jun 15, 2019	Executive Vice President, Technology Division	Ayudhya Capital Service Co., Ltd.
		Aug 1, 2018 – Mar 1, 2019	Director	Ayudhya Capital Auto Lease PCL
17. Miss Chayathip Phanmanee[1/] Age 48 years - Executive Vice President, Office of the President and CEO (Jan 1, 2020) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-	- MBA major in Finance, University of Toledo, USA - Bachelor of Finance and Banking, Thammasat University	Jan 1, 2020 – Present	Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		Jul 2015 – Dec 31, 2019	Executive Vice President, Head of Krungsri Auto Risk Management Division	
		Other Companies/ Organizations		
		Jan 1, 2020 – Present	Managing Director	Ayudhya Capital Auto Lease PCL
		Jan 1, 2020 – Present	Director (Authorized Signatory)	
		Oct 11, 2018 – Present	Director	Krungsri Leasing Services Co., Ltd.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
18. Mr. Dominic Mario Notario Age 40 years - Executive Vice President, Office of the President and CEO (Feb 16, 2020) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-	- Master of Business Administration, The Hong Kong University of Science and Technology - Bachelor of Arts, Princeton University	Feb 16, 2020 – Present	Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		Other Companies/ Organizations		
		Oct 20, 2020 – Present	Chief Risk Officer	SB Finance Company, Inc.

Remarks: [1/] Acts as person with managerial authority under the Bank of Thailand (BoT)'s definition and holds the directorship in subsidiaries and/or any other companies.
In addition, there are another 15 Krungsri's executives acting as persons with managerial authority under BoT's definition and holding the directorships in subsidiaries and/or any other companies, as follows:

1.	Mr. Tetsu Nakagawa	Director (Authorized Signatory), Total Services Solutions PCL Director, Krungsriayudhya Card Co., Ltd. Director (Authorized Signatory), Krungsri Asset Management Co., Ltd. Director (Authorized Signatory), Ayudhya Capital Services Co., Ltd. Director, Ayudhya Capital Auto Lease PCL
2.	Miss Nayanee Peaugkham	Director, Krungsri Finnovate Co., Ltd. Director, Krungsri Nimble Co., Ltd. Chairman (Authorized Signatory), General Card Services Ltd. Chairman (Authorized Signatory), Tesco Lotus Money Services Ltd. Director (Authorized Signatory), Total Services Solutions PCL Chairman (Authorized Signatory), Krungsriayudhya Card Co., Ltd. Chairman (Authorized Signatory), Ayudhya Capital Services Co., Ltd.
3.	Mr. Saran Sasanavin	Director, General Card Services Ltd. Director (Authorized Signatory), Ayudhya Development Leasing Co., Ltd.
4.	Miss Yaowaluck Charnyapornpong	Director (Authorized Signatory), Tesco Lotus Money Services Ltd. Director (Authorized Signatory), D-Net Solution Co., Ltd.
5.	Miss Pisara Pattanasiri	Director, Krungsri Ayudhya AMC, Ltd. Chairman (Authorized Signatory), Siam Realty and Services Security Co., Ltd.
6.	Mrs. Chotinart Yongsoontorn	Director (Authorized Signatory), Siam Realty and Services Security Co., Ltd.
7.	Mr. Payung Leewongjaroen	Director, Krungsri Asset Management Co., Ltd.
8.	Miss Jiraporn Popairoj	Director (Authorized Signatory), Krungsri Asset Management Co., Ltd.
9.	Mrs. Akanit Mattison	Director, Ayudhya Capital Services Co., Ltd. Director, Ayudhya Capital Auto Lease PCL
10.	Miss Montira Arayangkoon	Director, Ayudhya Capital Services Co., Ltd.
11.	Mr. Congsin Congcar	Director (Authorized Signatory), Ayudhya Capital Services Co., Ltd.
12.	Mrs. Kittiya Srisanit	Director (Authorized Signatory), Ayudhya Capital Auto Lease PCL Director Krungsri Leasing Services Co., Ltd. Director SB Finance Company, Inc.
13.	Mr. Dharittee Kritsernvong	Director, Ayudhya Capital Auto Lease PCL
14.	Mr. Thongchai Vajapattana	Director, Ben Decs Co., Ltd.
15.	Mr. Somprawin Manprasert	Director, The Erawan Group PCL

[2/] Including spouse and minor children.

NEWLY APPOINTED EXECUTIVES AFTER DECEMBER 31, 2020 IN THE TOTAL OF 3 PERSONS ARE AS FOLLOWS:

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
1. Mr. Phonganant Thanattrai [1/] Age 56 years - Head of Retail and Consumer Banking (Jan 1, 2021) - First Executive Vice President (Apr 1, 2012) - Acting Head of Retail Banking and Distribution Group (Jan 1, 2021) - Acting Head of High Net-Worth Division (Sep 16, 2019) - Executive Committee Member (Jan 1, 2021) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-	- MBA., Thammasat University - Bachelor of Business Administration (Marketing), Assumption University - Strategic IT Governance (for non-IT), Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Corporate Governance for Capital Market Intermediaries (CGI – English), Year 2015 • Director Certification Program (DCP), Year 2020	Jan 1, 2021 – Present	Head of Retail and Consumer Banking	Bank of Ayudhya PCL
		Jan 1, 2021 – Present	Acting Head of Retail Banking and Distribution Group	
		Jan 1, 2021 – Present	Executive Committee Member	
		Sep 16, 2019 – Present	Acting Head of High Net-Worth Division	
		Apr 1, 2012 – Present	First Executive Vice President	
		Jan 1, 2017 – Dec 31, 2020	Head of Retail Banking and Distribution Group	
		Jan 7, 2015 – Sep 15, 2019	Acting Head of Provincial Branch Business Division	
		Jul 1, 2015 – Apr 30, 2017	Acting Head of Metropolitan Branch Business Division	
		Jul 1, 2015 – Dec 31, 2016	Head of Distribution Group	
		Other Companies/ Organizations		
		Jan 8, 2021 – Present	Chairman (Authorized Signatory)	Krungsri Securities PCL
		Jan 7, 2021 – Present	Chairman (Authorized Signatory)	Krungsri Asset Management Co., Ltd.
		Aug 4, 2014 – Mar 22, 2017	Director (Authorized Signatory)	
		Nov 18, 2019 – Present	Director (Authorized Signatory)	Ngern Tid Lor PCL
		Nov 29, 2019 – Present	Director (Authorized Signatory)	Krungsriayudhya Card Co., Ltd.
		Apr 20, 2015 – Present	Director	
		Mar 2, 2017 – Apr 25, 2018	Director (Authorized Signatory)	Total Services Solutions PCL
		Mar 23, 2017 – Mar 12, 2018	Director (Authorized Signatory)	Krungsri Securities PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
2. Mr. Kenichi Nishii Age 49 years - Head of Global Markets Group (Jan 1, 2021) - First Executive Vice President (Nov 29, 2020) - Executive Committee Member (Jan 1, 2021) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-	- Bachelor of Arts in Economics, Keio University, Japan	Jan 1, 2021 – Present	Head of Global Markets Group	Bank of Ayudhya PCL
		Jan 1, 2021 – Present	Executive Committee Member	
		Nov 29, 2020 – Present	First Executive Vice President	
		Other Companies/ Organizations		
		May 2019 – Nov 28, 2020	Head of Global Markets Asia & Oceania and Treasurer	MUFG Bank, Ltd., Singapore
		Aug 2017 – Apr 2019	Managing Director, Head of Balance Sheet Strategy Dept., Treasury & Investment Division	MUFG Bank, Ltd., Tokyo
		Jul 2015 - Jul 2017	Chief Manager, Global Markets Division for the EMEA	MUFG Bank, Ltd., London
3. Mr. Wirote Chuenratanakul [1/] Age 53 years - Head of Operations Group (Jan 1, 2020) - Executive Vice President (Jan 5, 2015) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-	- MBA. (Finance), National Institute Development Administration - Bachelor of Business Administration (Finance), Thammasat University - Certificate of Executive Development Program, Cornell University, USA, Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Successful Formulation & Execution of Strategy, Year 2015 • Director Certification Program (DCP), Year 2020	Jan 1, 2020 – Present	Head of Operations Group	Bank of Ayudhya PCL
		Jan 5, 2015 – Present	Executive Vice President	
		Jan 1, 2017 – Dec 31, 2019	Co-Head of Operations Group	
		Jan 1 – Dec 31, 2016	Head of Operations Back Office Group	
		Other Companies/ Organizations		
		Aug 31, 2019 - Present	Director (Authorized Signatory)	Total Services Solutions PCL

Remarks: [1/] Acts as person with managerial authority under the Bank of Thailand (BoT)'s definition and holds the directorship in subsidiaries and/or any other companies.
[2/] Including spouse and minor children.

THE PERSON HAVING ACCOUNTING CONTROL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
Mr. Kriangsak Jongsukkigparnich [1/] Age 51 years - Executive Vice President (Mar 1, 2016) - Head of Accounting Division, Finance Group (Jan 7, 2015) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-	- MBA. (Finance), Western Michigan University, USA - Bachelor of Faculty of Commerce and Accountancy (Cost Accounting), Chulalongkorn University **External trainings:** - Certified Public Accountant (CPA Thailand) [3/] - TFRS 9 Financial Instruments in Principle and Analysis [3/] - Significant TFRSs and Transfer Pricing [3/] - DBD eLearning related to Accounting Subjects [3/]	Mar 1, 2016 – Present	Executive Vice President	Bank of Ayudhya PCL
		Jan 7, 2015 – Present	Head of Accounting Division, Finance Group	
		Work experiences in accounting and Finance: Jan 7, 2015 – Apr 30, 2018	Acting Head of Operational Controllership Department, Finance Group	
		Jan 7, 2015 – Feb 29, 2016	Senior Vice President	
		Other Companies/ Organizations May 5, 2017 – Jul 21, 2019	Director (Authorized Signatory)	Krungsri Factoring Co., Ltd.
		Others (in the last 7 years): None **Positions receiving remuneration in for-profit companies/ organizations**: None		

Remarks: [1/] The person taking direct responsibility in supervising accounting with qualifications and requirements according to the notification of the Department of Business Development.
[2/] Including spouse and minor children.
[3/] The orientation course in continuing development course in accounting (External trainings), total 42 hours.

CORPORATE SECRETARY

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
Mrs. Thidarat Sethavaravichit Age 51 years - Senior Vice President, Head of Corporate Secretariat Department (Jul 1, 2010) - Corporate Secretary and Secretary to the Board of Directors (Jul 1, 2008) - Secretary to the Executive Committee (Jul 1, 2008) **% Shareholding** [2/] 0.0000% (1,000 shares) **Family Relationship with Directors and Executives** -None-	- EMBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University - LL.M., Case Western Reserve University, Ohio, USA - Barrister at Law, Thailand - Bachelor of Laws, Chulalongkorn University - Master Class "Corporate Governance and Director Duties Excellence 2017", Singapore - CG Code workshop, PwC, Year 2018 - IT Security Trend Update, Year 2018 - Company Secretary Forum 2019 "Role of the Company Secretary in Shaping Corporate Culture", Year 2019 - ACSN & ACGA webinar: "Impact of COVID-19 on Annual General Meetings in Asia-Pacific, with specific reference to ASEAN", Year 2020 - ACSN: Board of the Future: "How will the role of the Company Secretary evolve?", Year 2020 - Preliminary to Corporate Sustainability, Year 2020 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Company Secretary Program (CSP), Year 2002	Jul 1, 2010 – Present	Senior Vice President, Head of Corporate Secretariat Department	Bank of Ayudhya PCL
		Jul 1, 2008 – Present	Corporate Secretary and Secretary to the Board of Directors	
		Jul 1, 2008 – Present	Secretary to the Executive Committee	
		Nov 2008 – Dec 31, 2017	Ombudsperson	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
Mrs. Thidarat Sethavaravichit (Cont')	• Board Reporting Program (BRP), Year 2009 • Director Certification Program (DCP), Year 2012 • Corporate Governance for Executives (CGE), Year 2014			

Remark: 1/ Including spouse and minor children.

Roles and Responsibilities of the Corporate Secretary

1. Fulfill the duties of Corporate Secretary as stipulated by laws and as assigned by the Board of Directors;
2. Ensure that the various activities of the Board of Directors are in compliance with relevant laws, rules, and regulations;
3. Organize shareholder meetings and Board of Directors meetings, and prepare meeting minutes in compliance with laws and the Bank's Articles of Association, including follow-up of matters arising from meeting resolutions;
4. Advise the Board of Directors on relevant legal issues, rules, and the Bank's Articles of Association as needed in the performance of their duties for the benefit of Krungsri;
5. Arrange for an orientation and provide information to newly appointed directors;
6. Coordinate and exchange knowledges with secretaries of the committees reporting to the Board of Directors and company secretaries of subsidiaries in order to increase efficiency of the corporate governance.

REMUNERATION OF DIRECTORS AND EXECUTIVES

(as per definitions determined by the SEC)

Remuneration of Directors: The Bank has established clear and transparent policies related to directors' remuneration which is comparable to the level paid in the industry and the remuneration has been approved by the shareholders' meeting. Directors appointed as members of the Audit Committee, the Nomination and Remuneration Committee, or the Risk and Compliance Committee receive additional compensation commensurate with the increased workload.

Remuneration of executives: Remuneration of executives is in accordance with the principles and policies set by the Board of Directors and linked to business performance of the Bank and their individual performance.

Remuneration in 2020: Remuneration paid by the Bank in 2020 to directors and executives is as per the following details:

CASH REMUNERATION

(1) Total directors' remuneration (retainer fee, other annual compensation, and attendance fee) of the 12 directors amounts to Baht 58,492,266.67 Details of the remuneration paid to each director are as follows:

(Unit: Baht)

List of Directors	Remuneration of the Board of Directors			Remuneration of the Audit Committee	Remuneration of the Nomination and Remuneration Committee	Remuneration of the Risk and Compliance Committee	Total Remuneration
	Retainer fee	Attendance fee	Other Annual Compensation				
Non-Executive Directors							
1. Mr. Karun Kittisataporn - Chairman of the Board of Directors	3,744,000.00	1,668,000.00	2,328,000.00	-	-	-	7,740,000.00
2. Mr. Noriaki Goto - Vice Chairman - Member of the Nomination and Remuneration Committee	3,108,000.00	1,500,000.00	1,572,000.00	-	840,000.00	-	7,020,000.00
3. Mr. Toru Matsuda - Member of the Risk and Compliance Committee	2,496,000.00	1,200,000.00	1,248,000.00	-	-	840,000.00	5,784,000.00
4. Ms. Junko Kawano - Director	2,496,000.00	1,200,000.00	1,248,000.00	-	-	-	4,944,000.00
5. Ms. Nopporn Tirawattanagool - Member of the Nomination and Remuneration Committee - Member of the Risk and Compliance Committee	2,496,000.00	1,200,000.00	1,248,000.00	-	840,000.00	840,000.00	6,624,000.00
Independent Directors							
6. Mr. Virat Phairatphiboon [1/] - Chairman of the Risk and Compliance Committee - Member of the Audit Committee - Member of the Nomination and Remuneration Committee	2,496,000.00	1,200,000.00	1,248,000.00	840,000.00	770,000.00	876,000.00	7,430,000.00
7. Ms. Potjanee Thanavaranit - Chairman of the Audit Committee	2,496,000.00	1,200,000.00	1,248,000.00	876,000.00	-	-	5,820,000.00

(Unit: Baht)

List of Directors	Remuneration of the Board of Directors			Remuneration of the Audit Committee	Remuneration of the Nomination and Remuneration Committee	Remuneration of the Risk and Compliance Committee	Total Remuneration
	Retainer fee	Attendance fee	Other Annual Compensation				
8. Dr. Jamlong Atikul - Chairman of the Nomination and Remuneration Committee - Member of the Audit Committee	2,496,000.00	1,200,000.00	1,248,000.00	840,000.00	876,000.00	-	6,660,000.00
9. Mrs. Tongurai Limpiti [2/] - Member of the Audit Committee - Member of the Risk and Compliance Committee	2,489,066.67	1,196,666.67	1,244,533.33	770,000.00	-	770,000.00	6,470,266.67
Executive Directors *							
10. Mr. Seiichiro Akita	-	-	-	-	-	-	-
11. Mr. Pornsanong Tuchinda	-	-	-	-	-	-	-
12. Ms. Duangdao Wongpanitkrit	-	-	-	-	-	-	-

Remark: * Executive directors are not entitled to remuneration paid to directors.

[1/] Appointed as Member of the Nomination and Remuneration Committee on 1 February 2020

[2/] Appointed as Director on 2 January 2020
Appointed as Member of the Audit Committee on 1 February 2020
Appointed as Member of the Risk and Compliance Committee on 1 February 2020

(2) The Executive Committee is not paid any remuneration.

(3) The total executives' remuneration paid in 2020 are as follows:

(3.1) Remuneration in the form of salary and bonus paid to the executives as defined by the Capital Market Supervisory Board and Krungsri, i.e. President and Chief Executive Officer, executives at Executive Vice President level and above who report directly to the President and Chief Executive Officer, Chief Financial Officer, and any persons assigned to act on behalf of the aforesaid positions totaling 21 persons, amounts to 313,750,188.97 baht.

(3.2) Remuneration in the form of salary and bonus paid to the executives as defined by the Bank of Thailand, i.e. executives at Executive Vice President level and above, totaling 105 persons, amounts to 999,062,881.01 baht.

(4) Krungsri's directors and executives who are designated to serve as directors or executives of any of its subsidiaries do not receive any remuneration from the subsidiaries.

Remark: - 14 executives newly joined/appointed during the year
- 9 executives resigned from Krungsri during the year

OTHER REMUNERATION

Directors and executives are entitled to receive other benefits and welfare in accordance with Krungsri's regulations. Directors are entitled to receive medical benefits, annual health check-up, and company car. Krungsri executives are entitled to receive other benefits and welfare, i.e. medical benefits, health check-up, life and accident insurance, staff loans, social security contribution and provident fund contribution. In 2020, the Bank's provident fund contribution for executives under item (3.1) was 14,806,284.11 baht in total while the provident fund contribution for executives under item (3.2) was 29,647,560.73 baht in total. In addition, Krungsri does not provide any non-cash remuneration such as shares/warrants to executives. In 2020, there was no outstanding balace of the remuneration or other benefits paid to the directors and executives.

In 2020, there was no outstanding balance of the remuneration or other benefits paid to the directors and executives.

6
CORPORATE SOCIAL RESPONSIBILITY





Krungsri, as a Domestic Systemically Important Bank (D-SIB), adheres to our mission 'to be a leading regional financial institution with global reach' and commits to responsibly meeting customer needs and serving society through sustainable growth. In light of this, Krungsri strives to undertake business based on good corporate governance, in parallel with best practices of responsible banking taking into account economic, social, environmental, and governance dimensions, as well as strict adherence to codes of conduct. We would therefore uplift our business undertaking standards beyond the level stipulated by applicable regulatory requirements, while responding to overall expectations of stakeholders, communities, and society.

It is our belief that an organization's sustainable growth lies at the heart of a strong society based on stakeholder expectations and engagement. Given this, we place great emphasis on instilling values shared with communities and society in our employees across Krungsri and companies in the Financial Business Group for sustainable growth and in response to the United Nations Sustainable Development Goals (SDGs).

1. GOOD CORPORATE GOVERNANCE

The Bank fully complies with the **'Good Corporate Governance Principles'**, which have been stipulated in writing. The contents cover shareholders' rights and equitable treatment; disclosure of information and transparency; composition and qualifications of the Board of Directors; roles and responsibilities of the Chairman and the Board of Directors including the subcommittees reporting to it; roles and responsibilities of the President and Chief Executive Officer and other executives; internal control system and internal audit system; Krungsri Group's business philosophy and roles toward stakeholders; Krungsri's mission, vision, and core values; and the Code of Conduct and employees' compliance with it. These principles must be reviewed every year or without delay upon any significant change to ensure that Krungsri's Good Corporate Governance Principles are appropriate for the changing situations and correspond with the relevant criteria, including the organization structure and the compliance environment of Krungsri Group.

Krungsri also places importance on monitoring and supervision to ensure that Krungsri's operations are carried out in compliance with the good governance guidelines established by the Bank of Thailand, Office of the Securities and Exchange Commission, Stock Exchange of Thailand, and Thai Institute of Directors on a regular basis. However, the guidelines have not been applied to some of our operations as the Board of Directors is of the view that in some cases they are too complicated and do not facilitate Krungsri's operations. In this regard, the Board of Directors has assigned responsible business units to study the matter for reconsideration in the future. Therefore, alternative measures and guidelines have been adopted to supervise such operations, to ensure that overall operations are carried out in compliance with the Good Corporate Governance Principles.

> KRUNGSRI EARNED THE 'EXCELLENT' LEVEL OF RECOGNITION BASED ON THE CORPORATE GOVERNANCE REPORT OF THAI LISTED COMPANIES 2020 (CGR 2020) PROJECT BY THE THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)

Moreover, the Bank has stipulated **'The Spirit & The Letter' (S&L)** as practices for all directors, executives, and employees in working with integrity under laws and good governance principles. The S&L specifies the matters for acknowledgement, compliance, caution, and penalty in case of violation in order to create continuous awareness of the practices. Krungsri stipulates that all employees must annually affix their signature as acknowledgement and consent to comply with The S&L.

In 2020, Krungsri earned the 'Excellent' level of recognition based on the Corporate Governance Report of Thai Listed Companies 2020 (CGR 2020) project wherein the Thai Institute of Directors Association (IOD) surveyed and monitored corporate governance practices of Thailand's listed companies using assessment criteria developed from those of the Organization for Economic Cooperation and Development (OECD).

2. FAIR BUSINESS PRACTICES

Krungsri is committed to responsible business operations with fair practices, while encouraging related stakeholders to ensure proper treatment of other stakeholders and members of the supply chain. In support of fair treatment, we advocate fair competition, promoting responsibility toward society as a business partner, and respect for intellectual property rights to create shared values.

Krungsri promotes a code of conduct for commercial banks and prevention of unfair competition. As a financial intermediary and financial service provider across all industries, we undertake business based on prudence and caution to ensure equality of financial support for all businesses, while guarding against unlawful business assistance.

On supplier or vendor engagement, Krungsri stipulates a supplier code of conduct as well as fair and lawful practices toward suppliers, and expects suppliers to operate their business in compliance with regulatory requirements together with fair employee treatment, including practices comparable to those of Krungsri. In addition, Krungsri prohibits inappropriate payments upon making any business agreement with private- or public-sector organizations. Our employees shall strictly comply with the ultimate standards of the code of conduct, laws, and related regulatory requirements, as well as special provisions related to business undertakings with state agencies or enterprises.

Krungsri also places great importance on respect for property rights, treating the Bank's intellectual property rights as its most valuable assets. Therefore, best practices are established for all employees to maintain and protect our patents, logos, copyrights, business confidentiality, and other items of information which are the in the possession of the Bank, while having respect for intellectual property rights of other related parties.

3. ANTI-CORRUPTION

The anti-bribery and corruption guidelines have been instilled into Krungsri's employees at all levels, while **'anti-corruption policies and practices'** have also been stipulated. **'The Fraud Management Committee'** was established to facilitate the most efficient anti-corruption practices in the organization. Our other anti-corruption endeavors include fraud risk management planning, monitoring and overseeing compliance with anti-corruption policies, encouraging employees to report any non-compliance to their respective heads or the Compliance Division, and supporting employees at all levels to attend anti-corruption training, e.g., the Anti-Money Laundering and Combating the Financing of Terrorism program, and the Gift & Entertainment program. Therefore, these practices would become anti-corruption guidelines for reiterating the roles, duties, and responsibilities of all the relevant business units to ensure compliance with the Bank's corporate governance principles, to which all levels of executives and employees must strictly adhere. The program also promotes a good organization culture and reflects our stand of zero tolerance toward corruption in all forms.

Moreover, Krungsri has been recertified as a member of **'Thailand's Private Sector Collective Action Coalition against Corruption' (CAC)**, reflecting Krungsri Group's determination to prioritize action against all forms of corruption and bribery in accordance with our written policy and procedure which serve as guidelines for measurable sustainability. All of our directors, executives, and employees must sign and observe a binding agreement to adhere to the Anti-Corruption Policy and Guidelines, with disciplinary action against those who violate these provisions.

4. RESPECT FOR HUMAN RIGHTS

Respect for human rights and dignity of all stakeholders and all related parties is enshrined in Krungsri's values. Fair and equitable treatment regardless of ethnicity, skin color, religion, gender, age, nationality or national origin, properties, other statuses, etc., is the foundation of equality and non-discrimination, in accordance with the UN Sustainable Development Goals.

Krungsri has promulgated the **'Human Rights Disclosure Statement'** that reads, "Krungsri recognizes respect for human rights as an important issue to be addressed in the management of our business for the realization of our Corporate Mission as a member of the world's most trusted financial group in serving society through sustainable growth. We aim to fulfill our responsibility to respect human rights across all of our operations." The disclosure statement reflects our business undertakings that address global sustainable development goals.

Equal service for every customer is encouraged: For example, specially designed buildings with facilities for the disabled or physically challenged are provided. The Bank also realizes the importance of children's rights aligned with business principles as per the Children's Rights and Business Principles (CRBP) set out by UNICEF. A child care facility is provided on the 12th floor of the Head Office, Rama III Road.

Furthermore, we provide a procedure for stakeholders who may wish to file a human rights violation complaint, and external stakeholders may contact us via the Bank's whistleblowing channels or Krungsri Call Center 1572, or our internal channel of HR Service by calling 0-2296-2000, ext. 85577 for employees.

5. FAIR LABOR PRACTICES

Krungsri respects and observes fair labor practices by honoring employee rights in accordance with the principles of human rights and fundamental rights at work. We offer proper employee welfare, and act in compliance with applicable laws and regulations, as well as social and health protection, including workplace safety.

The Bank established the **'Nomination and Remuneration Committee'** which is responsible for determining policy for remuneration and benefits that reflects the objectives, duties, and responsibilities, as well as the risks, associated with the Bank and/or the companies in the Bank's Financial Business Group by adhering to clear and transparent regulations. The aforesaid remuneration and benefits should be competitive when measured against industry peers. Krungsri also established the **'Guidelines on Fair Hiring Practices'** by taking into consideration the appropriateness of work regardless of ethnicity, gender, religion, and age, and acting in compliance with labor laws and relevant employment practices. Moreover, we promote a friendly working environment and respect for employees' rights.

Krungsri also established the **'Safety, Occupational Health and Environment Committee'** comprising employees and executives working on behalf of the employer in the ratio stipulated by law to promote employees' health. The Bank also provided appropriate benefits to support employees and their families, reducing their cost of living and easing their financial concerns in a way that will lead to good operating performance, as follows:

- Annual health check-up, group health insurance, life insurance, total permanent disability insurance, and personal accident insurance, etc.
- Krungsri clinic with medical doctors and nurses stationed at the Head Office (19th floor) and Krungsri Ploenchit Office (12th floor) who are ready to provide first aid care and health advice
- Happy Heart Center for providing mental health advice, as we realize that mental health significantly impacts physical health
- Krungsri Fitness Center at the Head Office (10th floor) with experienced trainers who closely monitor and provide advice on safe machine usage to employees. Spaces for yoga and aerobic exercise are available to promote good health as well as reduce workout and healthcare expenses for employees.
- Staff assistance and loans
- Welfare facilities in the workplace to enhance the well-being of employees, including prayer and meditation rooms, places for parenting practices, such as breastfeeding and childcare facilities, recreational areas (Oasis), co-working spaces (Krungsri D-Space), etc.

In addition, Krungsri promotes and offers employees the right to establish and apply for membership of the **Labor Union of Bank of Ayudhya** so that they would be able to share their opinions with the Bank as part of the organization's good labor relations. In case of problems, employees may file their complaints through available channels, e.g., the Employee Relations and Disciplinary Procedures Department, at the Head Office (12th floor), or calling 0-2296-2000, ext. 72836 or 72837; or the HR Service, at the Head Office (12th floor), or calling 0-2296-2000, ext. 85577, so that their issues could be resolved in accordance with the Bank's guidelines.

6. RESPONSIBILITY TOWARD CONSUMERS

Customer centricity is one of our core values, and it is vital in our business operations to ensure that we offer suitable financial products and excellent services. **'Customer centricity'** has helped the Bank's business consistently meet customer demand while remaining in compliance with rules and regulatory requirements.

Krungsri, therefore, formulated the **'Policy on Market Conduct'** for controlling market conduct management in accordance with regulatory requirements. The policy serves as a guideline on providing fair services to customers for both the Bank and companies in the Financial Business Group. Training sessions are provided, and communications are made to all levels of customer service employees on the importance of fair provision of services, in particular the complete and clear disclosure of product and service information, as well as key product risks, details, and conditions, in accordance with market standards, to support consumers' decision-making.

Krungsri strives to strictly comply with the Bank of Thailand (BOT)'s market conduct guidelines to mitigate potential risks of noncompliance with the BOT's rules, regulations, and requirements, including suspension of service, penalty charge, and reprimand, as well as the potential reputational risk.

In addition, Krungsri provides relevant standards and the **'Customer Complaint Resolution Process' (CCRP)** which covers not only the main contact channel, Krungsri Call Center 1572, but also other channels such as the Bank's branches, website, email, and fax. This is so that employees have a guideline to follow for handling customers' complaints, compliments, and suggestions. All relevant business units must resolve every complaint within a time limit, counting from the date that the complaint is received. The Bank has also established the **'Digi-care Contact Center'** team to handle customers' feedback through the Bank's social media channels, e.g. Facebook, Twitter and Line (Krungsri Simple), website (www.krungsri.com), e-mail, or other online media such as the Pantip web board. At present, there is an upward trend in how customers contact us via online media. This team ensures that everyone's comments and concerns are fully acknowledged, addressed, and taken care of by the responsible business unit in Krungsri. Replies and updates are sent to customers in the most suitable, prompt, and efficient manner.

7. SOCIAL AND COMMUNITY DEVELOPMENT

Improvement of communities and society for a better quality of life and overall well-being, as well as the country's sustainable development, requires the integration of expertise and collaboration from all parties, namely the public and private sectors, and society. Krungsri therefore places emphasis on promoting the volunteerism and participation of all executives and employees to join communities and society under the **'Simple to Share'** concept through a range of projects and activities that cover economic, social, and environmental dimensions toward sustainable development goals.

The Bank has stipulated a corporate social responsibility framework called **'Krungsri's 4 CSR Pillars'** for responding to sustainable development at the national and international levels. Details are as follows:

- **Creating sustainability value:** Focusing on creating an understanding of social responsibility and sustainability among employees and executives, and promoting the long-term participation of stakeholders. Sustainability reports are also prepared in order to assess our performance and create stakeholder awareness.
- **Giving back to the community:** Emphasizing the creation of community engagement both in the Bank's operating area and nationwide via CSR activities and projects.
- **Preserving the environment:** Focusing on the cultivation of environmental conservation habits and awareness via CSR activities and projects, and promoting eco-friendly operating processes.
- **Providing financial support:** Promoting support for and assistance to society in various forms such as scholarships, disaster relief, and donations to charitable organizations.

CREATING SUSTAINABILITY VALUE

• Provision of training for executives and employees on ESG and the finance and banking business

Placing importance on integrating environmental, social, and governance (ESG) considerations into operations toward the mission of sustainable banking, the Environmental, Social and Governance Division, in collaboration with the Learning Solutions and Leadership Development Department, introduced online ESG training sessions for management and employees. For employees, training on basic ESG knowledge, titled 'ESG Fundamentals', was provided on September 25, 2020, and attended by 68 employees, while management at the Executive Vice President (EVP) level or higher was provided a training session on November 6, 2020, titled 'Introduction to Sustainable Finance', presented by experts from WWF's Asia Sustainable Finance team and attended by 43 executives. Moreover, newly-recruited staff were also provided basic ESG knowledge during their orientation session.



• Training and educating employees on the topic of 'zero waste'

Responding to environmental and climate change issues, Krungsri organizes staff training sessions to instill an environmental preservation mindset and create a correct understanding of waste problems and global warming, ultimately leading to waste management to help combat global warming by starting with internal collaboration. In 2020, two of the 'zero waste' training sessions presented by speakers from Chulalongkorn University were held on July 20 and September 3, attended by 36 and 35 employees, respectively.

GIVING BACK TO THE COMMUNITY

• Krungsri Financial Literacy: 'Simple to Learn' project

Krungsri initiated the 'Krungsri Financial Literacy' project in 2015, underlining our commitment to promote basic financial knowledge and saving habits among primary school students in grades four to six nationwide. However, due to the COVID-19 pandemic, Krungsri adjusted the project accordingly, focusing on the safety of students and Krungsri volunteers, as well as the efficiency and effectiveness of the project.



In 2020, Krungsri, in collaboration with the Office of the Basic Education Commission (OBEC) and the Equitable Education Fund (EEF), introduced an animated financial literacy series titled, **'Simple to Learn – Stay Safe during COVID-19'**, for the benefit of more than 28,000 schools affiliated with both OBEC and EEF. (Please refer to the Sustainable Report for more details.)

- **Money Smart Next-Gen' activity in collaboration with the Thai Bankers' Association**

  Krungsri operated the project in collaboration with the Thai Bankers' Association and other commercial banks in Thailand for the third year. The project aims to promote the concept of smart savings and financial management for university-level students nationwide. In 2020, the project was adjusted to become virtual training due to the pandemic. Krungsri hosted the financial literacy activity for 176 students of Rajamangala University of Technology Krungthep, with the participation of 15 Krungsri volunteers, totaling 164 volunteer hours.

- **'Giving More...Receiving More' project promoting blood donation with the National Blood Center, Thai Red Cross Society**

  Krungsri started this project in 2007 to promote the donation of blood, organs, and eyes to the Thai Red Cross Society to aid people in need. Due to the COVID-19 pandemic, when blood inventory proved insufficient for patient treatments, Krungsri organized blood donation drives, accounting for donor safety in strict compliance with preventive measures, including body temperature checkpoints, social distancing in the queuing areas and blood donor beds, disinfecting the beds each time after blood collection, etc.

  In 2020, Krungsri organized the **'Giving More...Receiving More'** project under the title 'Krungsri Unite to Donate Blood in Fighting COVID-19' complying with preventive measures as follows:

  - Blood, organ, and eye donation activities were held four times (every quarter) at Krungsri's Head Office. Four blood donation drives were also held at Krungsri Ploenchit Office (every quarter).
  - Blood donation sites extended to 14 provincial branches.
  - 906,000 cc of blood was donated to the Thai Red Cross Society.
  - 40 organ donors and 48 eye donors.
  - 61 Krungsri volunteers facilitated the activities, totaling 488 volunteer hours.



"The blood donation in the new normal is very systematic and speedy, although the number of donor beds is limited due to the physical distancing measures."

MR. KRIT CHEEWACHAROENYING
SECURITIES SERVICES MARKETING DEPARTMENT
(46th DONATION AT THE HEAD OFFICE)



"Blood donation in the 'new normal' is kind of new to me, but I feel safe and would like to see this strict standard being adopted for the activity further."

MR. PONGSAK THANATHEERATHORN
CORPORATE BANKING DEPARTMENT 1
(28th DONATION AT KRUNGSRI PLOENCHIT OFFICE)

- ## Krungsri Breast Cancer Awareness project

  Krungsri started this project in 2010 with the support of the Thanyarak Foundation under the Patronage of HRH The Princess Mother, which aims to support the country's public health strategy through diverse activities, including expert training in breast self-examination, along with providing free mobile mammography units and quality breast examination similar to that of the Thanyarak Breast Center, etc. In 2020, the COVID-19 pandemic caused the project to be adjusted with a field activity to provide knowledge and mobile mammography service in supporting the Thanyarak Foundation, and an instructional video for women regarding **'breast self-examination'** provided for the Thanyarak Foundation to share with the community.



- ## Ayutthaya Historical Site Conservation project

  Krungsri carried out heritage conservation activities in our hometown of Ayutthaya, in collaboration with the Department of Fine Arts, to sustain communities' cultural heritage and allow Krungsri people to take part in the country's cultural preservation. In 2020, strictly complying with COVID-19 preventive measures, Krungsri organized activities in which 278 Krungsri volunteers jointly developed and improved four heritage sites in Ayutthaya, namely Wat Tawet, Wat Chakrawat, Wat Chao Prab, and the Portuguese Settlement, representing a total of 2,224 volunteer hours.

- ## 'Pan Kan: Turn Your Used Items into Scholarships' project

  In 2016, Krungsri initiated the 'Pan Kan...Turn Your Used Items into Scholarships' project, now in its fifth year, with the aim of promoting the spirit of sharing among Krungsri employees and helping to expand educational opportunities for underprivileged youths by accepting donations of good-quality used items which are offered for sale at 'Pankan Society shops'. Proceeds from product sales are allocated as scholarships to be presented to the youth under the supervision of the Yuvabadhana Foundation. In 2020, Krungsri organized an activity to accept good-quality used items from Krungsri staff, and the Mobile Pan Kan Shop activity to sell used items from Pankan Society shops at Krungsri's Ploenchit Office, which raised 972,640 baht, funding 139 scholarships (7,000 baht each) for youths of the Yuvabadhana Foundation.





- ## Collaboration with the Social Enterprise Thailand Association (SETH)

Krungsri signed a memorandum of understanding with the Social Enterprise Thailand Association (SETH) in 2019 to promote widespread positive social and environmental impacts through enhancing the potential of and supporting social enterprises, while promoting integration among all related parties in driving the mechanism of conducting business and consumption in a sustainable manner. In 2020, Krungsri supported social enterprises in overcoming the COVID-19 crisis by organizing activities for the association as follows:

1) **Online seminar titled 'Mega Trends for SE Post-COVID-19'** to equip social enterprises with knowledge to be prepared and adjust themselves to cope with the COVID-19 pandemic, presented by experts from Krungsri's Research Division, attended by representatives from 15 social enterprises.

2) **Selling goods and services of social enterprises in the 'D: Market' event** organized by the Krungsri Club, with the participation of 15 social enterprises, and total sales of 88,874 baht.

3) **'Social Enterprise Market @Krungsri'** was held from 16-18 December 2020 at the plaza in front of Krungsri's Head Office, with an aim of creating market opportunities for social enterprises and Krungsri's partners impacted by the COVID-19 crisis, so that they can thrive post-pandemic. The event was joined by 12 leading social enterprises, including DoiTung, Doi Kham, The SUPPORT Arts and Crafts International Centre of Thailand, a shop of the Friends in Need (of 'PA') Volunteers Foundation, Green Net, Thamturakit, etc.

- ## LET'sponsible by Krungsri Auto

Krungsri Auto has organized the LET'sponsible project for seven years, aiming to help instill a sense of responsibility among motorists and promoting safe driving in the hopes of making a change for a sustainable society. In 2020, Krungsri Auto continued organizing the project through activities as follows:

- The second year of the LET'sponsible project, 'No Taillight, No You': a campaign to raise people's awareness of safe driving and mitigating potential accidents being supported by 12 leading motorcycle brands and the Senate in changing burned-out taillights of small motorcycles (models not exceeding 150 cc) free of charge. Held from March 23 to April 6, 2020, the activity saw participation by authorized distributors of 12 leading motorcycle brands through their more than 1,000 branches nationwide.

- 'Dim Light Ads': a campaign to reduce the luminance level of digital billboards and advertising signs for traffic safety. Krungsri Auto launched an effort to reduce the brightness of the digital advertising signs of Plan B Media PCL, amounting to 112 digital LED screens, by around 20 percent; this campaign is ongoing.







PRESERVING THE ENVIRONMENT

- **Krungsri Zero Waste**

  To address pollution and environmental problems due to plastic waste, Krungsri initiated this project in 2018 under the concept, **'Let's Unite for Zero Waste'**, intending to raise awareness of waste problems and promote efficient waste management in the organization for recycling and reducing landfill waste. Under the project, the Bank organized 'zero waste' activities to raise awareness among employees and minimize plastic pollution, namely waste management training sessions, campaigns for waste sorting, and campaigns against single-use plastics and foam containers. In 2020, Krungsri organized many activities toward the 'zero waste' goal as follows:

  - The 'No Plastic Bag' activity was held in continuation from 2019 to reduce the use of plastic bags by omitting the provision of single-use plastic bags, cups, and straws at the food courts on the 8th and 9th floor at the Head Office, as well as the 12th floor of Krungsri's Ploenchit Office. The Bank also encouraged all stores to offer a special discount for staff using their own personal cups to buy drinks at the food courts. (However, this activity was cancelled during the COVID-19 pandemic).

  - The 'Krungsri Right Place, Right Bin' activity was organized at the Bank's branches and Krungsri Auto's branches to promote efficient garbage sorting before disposal among employees. The Bank provided garbage sorting bins to 689 branches nationwide.

  - On World Environment Day (June 5, 2020), Krungsri encouraged executives and staff members at all levels to take part in addressing the garbage problem by changing their daily habits, particularly reducing single-use plastics. Therefore, the Bank provided a refillable bottle and cloth bag for every staff member. This not only reflects our environmental responsibility, but also our responsibility for health and well-being amid the COVID-19 pandemic.

  - In July 2020, Krungsri participated in the 'Thais Say No to e-Waste' project initiated by Advanced Info Services Public Company Limited (AIS) to raise employee awareness on the dangers of electronic waste as well as appropriate e-waste sorting and disposal, which is safe and helps reduce the pollution caused by e-Waste.





An e-Waste drop box is provided at the Head Office and Krungsri's Ploenchit Office, as well as six drop boxes at the Bank's subsidiaries: four at Krungsri Auto's Bangna Tower and two at Krungsri Asset Management Co., Ltd.'s office in Ploenchit Tower. Since participating in the project, Krungsri has delivered 516 pieces of e-Waste for appropriate disposal, reducing GHG emissions by 5,160 kilograms of carbon dioxide equivalent. (Source: AIS's operating results report)

- Krungsri installed a food waste decomposer at the Head Office to reduce food waste from the Bank's canteens to landfills, one of the key causes of greenhouse gases and global warming. The machine uses biotechnology for aerobic conversion of food waste into high-quality organic fertilizer for application in agriculture and a balanced ecosystem. Starting in October 2020, the machine helped break down more than 6,000 kilograms of food waste, representing the reduction of GHG emissions by 15,200 kilograms of carbon dioxide equivalent, and convert it into 971 kilograms of organic fertilizer which was offered to staff participating in an activity on Thai Environment Day, and used as fertilizer for green areas surrounding the Head Office as well as other activities beneficial for society.

• Mangrove reforestation activity

Initiated in 2012, the Bank's mangrove reforestation activity has been organized in collaboration with government agencies and provincial administrative authorities, In 2020, Krungsri joined hands with the Mangrove Forest Resources Development Station 5 (Chon Buri) to plant suitable saplings for mangrove forests as a means to maintain the ecosystem, which serves as a habitat for marine creatures, by organizing the activity twice in mangrove areas of AngSila Sub-district Muaeng District, Chon Buri Province, and Thakam Sub-district, Bangpakong District, Chachoengsao, with the participation of 75 Krungsri volunteers representing 600 volunteer hours. More than 1,000 plants were grown under this activity.

• Care the Wild 'Plant & Protect' project, a collaboration with the Stock Exchange of Thailand

In 2020, Krungsri, in collaboration with the Stock Exchange of Thailand, participated in the Care the Wild 'Plant & Protect' project in order to express our commitment to resolving environmental issues and tackling climate change. The concepts of 'raising funds to grow forests' and 'together, we protect forests through the good governance mechanism' were promoted, and growth of the trees can be monitored through the Care the Wild mobile application. Several parties have collaborated in the project, including the Royal Forest Department, the Foundation for Thailand Rural Reconstruction Movement (TRRM) Under Royal Patronage, and others. In 2020, Krungsri facilitate the Care the Wild 'Plant & Protect' project as follows:

- Granted the TRRM a sponsorship to finance the development of the Care the Wild mobile application as a fundraising channel, through which 200,000 baht in donations was raised.
- Granted a sponsorship for reforestation of a 10-rai area in the Baan Khao Hua Kon community forest, Nam Phu Sub-district, Muang District, Ratchaburi, as well as 400,000 baht in sponsorship to finance the planting of 2,000 trees with the Royal Forest Department. The sponsorship of planting 2,000 trees in this project can help reduce GHG emissions by 18,000 kilograms of carbon dioxide equivalent.



- 48 Krungsri volunteers participated in Baan Khao Hua Kon Community Forest, Ratchaburi, the reforestation activity planting 500 trees, representing 384 volunteer hours.

- **'Care the Bear' project, a collaboration with the Stock Exchange of Thailand**

  In 2018, Krungsri participated in SET's 'Care the Bear' project initiated under the concept, 'Change the Climate Change', by Eco-Event, wherein public and private business partners as well as social enterprises were invited to help accelerate the reduction of global warming by reducing greenhouse gas emissions through event organization. Adhering to the 'Principle of 6 Cares', the project focuses on behavior change in six dimensions: commuting on electric trains or public transport; reducing the use of paper and plastics; banning foam containers; reducing power consumption; choosing decorative items made from reusable materials for organized events; and selecting only as much food as one can finish, in order to reduce food waste. Joining the 'Care the Bear' project, the Bank achieved the goal of having employees engage in addressing environmental issues and reducing greenhouse gas emissions which are the main cause of global warming. In 2020, through this project, the Bank reduced GHG emissions by 1,972,599 * kilograms of carbon dioxide equivalent, comparable to planting 219,176 trees.

  Remark: * Referring to the project's performance calculated through its Digital Eco Calculator kit and Excel program (Eco Kit), version 2019

PROVIDING FINANCIAL SUPPORT

- **'Krungsri Unites in Fighting COVID-19' project**

  Given the impacts of the COVID-19 pandemic on global public health and well-being, Krungsri organized supportive financial and non-financial activities to aid and offer moral support for frontline medical staff, while providing medical equipment for patient treatment as well as other aid for people affected by the pandemic, as follows:

- Donated 8 million baht to the Office of the Prime Minister on behalf of the Thai Bankers' Association to support state-owned hospitals and health workers in COVID-19 patient treatment

- Donated 1,480,250 baht to the Thai Students' Association in Japan under Royal Patronage (TSAJ), in collaboration with Mitsubishi UFJ Financial Group (MUFG), to provide assistance to Thai students studying in Japan who were impacted by the pandemic

- Provided customers an opportunity to donate money through 'Krungsri GIFT' reward point redemption under the 'Krungsri GIFT for GIVE' project to support public health and charitable organizations in coping with the COVID-19 pandemic, namely the Siriraj Foundation, Thai Red Cross Society, Ramathibodi Foundation and Rajavithi Hospital Foundation, wherein Krungsri represented customers in donating a total of 400,000 baht

- Donated 174,000 baht from Krungsri Auto's '*Dai Rot Dai Boon*' ('Get the Car and Make Merit') campaign, which was organized in collaboration with used car dealers in Krabi and Trang, to finance the purchase of medical equipment for the Red Cross Society

- Donated Krungsri Consumer credit card reward points to help COVID-19 patients and to purchase medical equipment under the '*Tam Tor Chiwit*' ('Points Save Lives') campaign, which included donating 1,066,600 baht to the Ramathibodi Foundation, 886,800 baht to the Rajavithi Hospital Foundation, and 4,000 units of reusable Personal Protective Equipment (PPE) to a number of hospitals nationwide

- Provided medical supplies and necessities for COVID-19 patients to the Ramathibodi Foundation, for which Krungsri Securities Plc. donated 100,000 baht

Moreover, Krungsri Group offered needed supplies and other kinds of aid to a number of organizations amid the COVID-19 pandemic, as follows:

- Made available public relations channels to raise funds from our employees, suppliers, and customers for donating to diverse organizations, namely 1,012,612.55 baht to the 'Siriraj Soo Pai COVID' fund, Siriraj Foundation; 37,302,579.68 baht to the Channel 7 COVID-19 fundraising project; and 316,000 baht to Rajavithi Hospital (as of April 30, 2020)



- Donated 327 N-95 face masks to King Chulalongkorn Memorial Hospital, and the Faculty of Medicine Ramathibodi Hospital, Mahidol University

- Donated 3,000 face masks to medical staff at four state-owned hospitals in Khon Kaen, namely Khon Kaen Hospital, Fort Sripatcharin Hospital, Srinagarind Hospital, and Sirinthorn Hospital, from Krungsri Auto

- Produced and donated 7,627 face shields to 30 hospitals nationwide, from Krungsri Asset Management Co., Ltd.

- Donated 20 electric fans (18-inch) to Bhumibol AdulyadejHospital under the Air Force Department of Medicine, for COVID-19 patients

- Promoted the sale of quality mangoes offered by farmers who could not export their produce due to the pandemic, and offered 1,000 boxes of mangoes to medical staff at Siriraj Hospital and Rajavithi Hospital, from which mango farmers registered a total of 312,725 baht in sales

- Opened sharing pantries to help community members impacted by the COVID-19 pandemic, at Krungsri Auto branches nationwide

- Donated 600 survival bags under the Krungsri 'Pantries of Sharing' project for those impacted by the pandemic in the Ban Poon community, Rama VIII Bridge

- Donated 1,499,142.08 baht (USD 49,444) from Hattha Bank Plc., for the purchase of COVID-19 vaccines, to the government of the Kingdom of Cambodia







- ## Annual Kathin and off-season robe presentation ceremonies by Krungsri and the Financial Business Group

  The annual Kathin and off-season robe presentation ceremonies are merit-making ceremonies with cooperation from executives and staff members of all companies in Krungsri Group, vendors, as well as customers in making merit to sustain Buddhism by renovating buildings and restoring damaged structures within temples, and raising funds to buy medical equipment and supplies for diverse hospitals' patients.

  In 2020, donations through the Bank's annual Kathin and off-season robe presentation ceremonies amounted to 12,169,519.10 baht as per the following details:

  - Jointly hosted annual Kathin robe presentation ceremonies in six temples, namely Wat Khok Kham, Samut Sakhon; Wat Na Fai (Uttaradit Thammaram), Uttaradit; Wat Chonlathan, Surat Thani; Wat Pa Choti Tham, Chon Buri; Wat Wang, Ayutthaya; Wat Bang Kra, Ratchaburi

  - Jointly hosted off-season robe presentation ceremonies in three hospitals, namely Banphaeo Hospital (Public Organization), Samut Sakhon; Bang Sao Thong Hospital, Samut Prakan; and Lerdsin Hospital, Bangkok

In addition, on October 3, 2020, **Than Phu Ying Sirikitiya Jensen** graciously presided over the ceremony to install an elaborately carved apex on the gable of the ordination hall of Wat Choeng Tha, Ayutthaya, which has been completely renovated by Krungsri under the supervision of the Fine Arts Department. She was welcomed by the Bank's Board of Directors and senior executives.

Wat Choeng Tha is an ancient temple recognized as an historical treasure dating back to the late Ayutthaya period. The Bank therefore organized a Kathin robe presentation ceremony, from which 6,442,232.40 baht in proceeds jointly donated by Krungsri, the Bank's executives, staff, and business partners, as well as the general public, was provided as financial support.

- ## Support for other charitable projects

  Financial support was provided, in collaboration with government agencies and charitable organizations, to assist communities with urgent needs and/or to support activities of charitable organizations in 2020 as follows:



- Provided financial support of 4,965,000 baht to Krungsri Foundation for its public benefit activities
- Granted 100,000 baht in scholarships to students via the Thai-Nichi Institute of Technology
- Purchased 100 sets of the Thai Red Cross Society raffle tickets for 2020, amounting to 100,000 baht, to support the Thai Red Cross Society's public benefit activities
- Provided financial support of 10,000 baht for the annual Kathin robe presentation ceremony in 2020 of the Department of Labour Protection and Welfare
- Provided financial support of 10,000 baht for the annual Kathin robe presentation ceremony in 2020 of the Social Security Office
- Produced and donated 450 resistance bands as exercise and stretching tools for patients of Singburi Hospital, and 206 resistance bands for Thale Chup Son of Tambon Health Promoting Hospital, Lopburi, from Krungsri Asset Management Co., Ltd.
- Donated 1,000 survival bags under the Krungsri 'Pantries of Sharing' project by the Bank's branches to communities in Thung Song District, Nakhon Si Thammarat, which suffered from flooding

KRUNGSRI FOUNDATION

Krungsri Foundation, officially registered on January 16, 2017, is committed to supporting activities for public benefit, including the promotion of educational development, arts and culture, environmental conservation, sports, and public health, among other endeavors, within the scope of sustainable development. With the concept of **'Simple to Share',** the foundation has cooperated with other charitable entities to improve the livelihoods of communities and contribute to sustainable development of the economy and society. In 2020, the foundation carried out activities in the following areas:

EDUCATION

- The Foundation awarded scholarships to students with good behavioral and academic conduct but lacking financial means under the care of seven schools, foundations, and/or shelters, namely:

  Sri Sangwan School for Children with Disabilities; Nontapum Home for Children with Disabilities; Foundation for the Welfare of the Crippled under the Royal Patronage of HRH the Princess Mother; Setsatian School for the Deaf; Rajvithi Home for Girls; Maharaj



Foundation Home for Boys; and Foundation for the Blind in Thailand under the Royal Patronage of HM the Queen. Each student received 5,000 baht, with 75 scholarships totaling 375,000 baht.

- On the occasion of National Youth Day in 2020, Krungsri Foundation granted a total of 139,000 baht in scholarships to 15 students under the care of Mahamek Home for Boys. The students were selected based on good academic and behavioral records, in order to give them moral support and as an opportunity toward future educational advancement.
- Krungsri Foundation initiated the 'Krungsri University Volunteer' project in 2018, with the objective of encouraging university students to utilize their knowledge and skills, particularly in their respective fields of study, through their projects and activities for the benefit of communities and society, as well as giving them moral support to carry out volunteer projects. In 2020, nine projects from six educational institutions were awarded a total of 60,000 baht in financial support; the institutions were Chiang Rai Rajabhat University, Phuket Rajabhat University, Rambhai Barni Rajabhat University, Buriram Rajabhat University, Kanchanaburi Rajabhat University, and Chaiyaphum Rajabhat University.
- Donated teacher and educational supplies worth 250,000 baht to the Border Patrol Police School in Ban Huay Krasan, Amnat Charoen, to support educational opportunities to students in this remote area.
- Provided financial support of 20,000 baht to students of the Faculty of Education, Mahachulalongkornrajavidyalaya University, to organize the fourth year of the 'Sharing to Brothers and Sisters' project of Piang Luang 3 School, Kanchanaburi.
- Provided financial support of 90,000 baht for enhancing students' quality of life by improving electricity and water systems at the 'Mae Fah Luang' Highland Community Learning Center at Ban Nukatowa, Tak.
- Provided financial support of 60,000 baht to the Than Phu Ying Thawi Maneenuch Border Patrol Police School for the renovation of its school supply room.
- Donated teacher and educational supplies worth 42,000 baht to the Setsatian School for the Deaf to produce educational media for students with hearing impairments.

ASSISTANCE FOR VICTIMS OF DISASTERS AND EMERGING INFECTIOUS DISEASES

- Provided financial support of 250,000 baht to the Relief and Community Health Bureau, Thai Red Cross Society, for assisting those impacted by flooding



- Donated consumer products worth 150,000 baht as supplies for survival bags to the Thai Red Cross Society and provided 600 survival bags to the Ban Poon community, Rama VIII Bridge, in collaboration with Bank of Ayudhya PCL
- Provided financial support of 100,000 baht for disaster mitigation activities of the Friends in Need (of "PA") Volunteers Foundation
- Donated medical equipment worth 500,000 baht to the Siriraj Foundation for the treatment of COVID-19 patients
- Provided financial support through the 'Channel 7 COVID-19' fundraising project for the provision of medical equipment to treat COVID-19 patients in 10 hospitals at 100,000 baht each, namely Rajavithi Hospital, Hatyai Hospital, Ramathibodi Hospital, Chonburi Hospital, Sunpasitthiprasong Hospital, King Chulalongkorn Memorial Hospital, Thammasat University Hospital, Nakornping Hospital (Chiang Mai), Siriraj Hospital, and Bamrasnaradura Infectious Diseases Institute
- Provided financial support of 300,000 baht for the Equitable Education Fund to assist underprivileged students who lack food and daily necessities caused by the delay of school openings and their parents' loss of income due to the pandemic
- Donated 2,200 blankets to the ThaiPBS Foundation and Mae Fah Luang Foundation under Royal Patronage; Ban Nong Du School, Nakhon Phanom; the AOT Border Patrol Police School, Ban Si Thaworn Pana, Mukdahan; INSEE 50th year Border Patrol Police School (Ban Huay Krasan); Sri Sangwan School; Foundation for Slum Child Care; and the Maha Sarakham Special Education Center







OTHER PUBLIC BENEFIT ACTIVITIES

- Provided financial support of 500,000 baht for Special Olympics Thailand's activities
- Provided financial support of 40,000 baht for producing Daisy books of the Thailand Association of the Blind and initiated the 'Read for the Blind' project with volunteer readers to produce audiobooks for the visually impaired
- Donated 10 wheelchairs worth 60,000 baht to the Thai with Disability Foundation



7 FINANCIAL REPORTING AND FINANCIAL STATEMENTS

MANAGEMENT DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY:

As a Domestic Systemically Important Bank (D-SIB), throughout 2020, Krungsri continuously employed preemptive measures in alleviating financial burdens for both commercial and retail customers facing financial distress due to the coronavirus pandemic.

Key priorities in 2020 comprised multiple lending rate cuts in corresponding to and supporting of the central bank's policy rate cuts in lessening impacts of the economic retrenchment and reducing customers' financing costs. Other proactive relief measures for all customer segments also included a grace period on principal and/or interest payments, a reduction of interest payment, an installment period extension, soft loan facilities as well as additional liquidity support, and preemptive debt restructuring for affected businesses and households.

Given the ongoing uncertainty pertaining to the fragile macroeconomic recovery caused by the coronavirus pandemic with the resurgence of COVID-19 cases in December 2020 in particular, Krungsri continued to steadily build up a conservative buffer taking into account the pro-cyclicality of forward-looking expected credit loss (ECL) models and management overlay under the TFRS 9 framework, which resulted in the expected credit loss totaling Baht 36,644 million for the year. As a result, net profit was recorded at Baht 23,040 million, a decrease of Baht 3,901 million or 14.5% from normalized net profit in 2019.

Including the one-off items in 2019 (the recognition of gains on investment from the Ngern Tid Lor Public Company Limited (NTL)* transaction and the provision for compensation in personnel expenses relating to severance payment in accordance with the amended Labor Protection Act), the net profit decreased by 29.6%, or Baht 9,709 million from 2019.

Total **loans outstanding** stood at Baht 1,832,935 million, an increase of Baht 15,058 million, or 0.8% from December 2019, driven by retail and SME loans which grew by 2.2% and 2.0%, respectively. Meanwhile, corporate loans contracted by 1.5%, mainly due to loan repayments made by Thai corporates.

Deposits totaled Baht 1,834,505 million, a notable increase of Baht 267,620 million, or 17.1%, from December 2019, largely driven by CASA deposits.

Compared to 2019, **non-interest income** decreased by 27.7%, or Baht 12,502 million, mainly driven by the absence of one-time gains on investments recorded in 2019, and a decrease in net fees and service income, resulting from a severe contraction in economic activities. Upon adjusting the aforementioned one-time gains on investments in 2019, non-interest income decreased by Baht 3,877 million, or 10.6%, from 2019.

The non-performing loan (NPL) ratio stood at 2.00% at the end of December 2020, relatively stable from 1.98% at the end of December 2019.

Total loan loss reserves remained high at Baht 79,981 million.

The coverage ratio recorded a new high level at 175.1%, compared to 163.8% at the end of December 2019.

Earnings per share (EPS) decreased to Baht 3.13 in 2020 from Baht 4.45 in 2019.

Key Highlights in 2020

- The adoption of the Thai Financial Reporting Standards (TFRS 9) Financial Instruments effective January 1, 2020. The key changes of 2020 financial performance according to the TFRS 9 framework were provisions from the expected credit loss (ECL) framework on impairment, non-performing loans from the expected credit losses based on a forward-looking model and net interest margin in accordance with changes in the recognition of interest income.

- The Bank lowered key lending rates for four consecutive times in the range of 0.77% to 1.00% during the year, corresponding to the Bank of Thailand's policy rate cuts by 0.75% in support of customer relief measures and to alleviate negative impacts on the economy.

- The Bank reduced the interest rate ceiling of credit card and personal loans in the range of 2% to 4%, in accordance with the Bank of Thailand's measures effective from August 1, 2020 onward to assist retail customers impacted by the sharp economic contraction.

- The Bank revised 2020 financial targets in alignment with changing economic conditions and the business environment, on August 26, 2020 in the categories of loan growth (net), non-interest income and provisions.

* Ngern Tid Lor Company Limited changed the status to Ngern Tid Lor Public Company Limited on December 17, 2020.

- Hattha Kaksekar Limited, Krungsri's wholly-owned leading deposit-taking microfinance institution in Cambodia, has successfully obtained regulatory approvals to operate as a commercial bank, under the name Hattha Bank Plc. with effect from August 26, 2020 onward.

- Krungsri announced the successful acquisition of a 50% ownership stake in SB Finance Company, Inc. (SBF) in the Philippines, a consumer finance subsidiary of Security Bank Corporation (SBC) on October 20, 2020.

- The Bank announced on December 24, 2020 that Ngern Tid Lor Public Company Limited (NTL), the Bank's joint venture in which 50% of shares owned is in the process of initial public offering (IPO) and listing of its ordinary shares on the Stock Exchange of Thailand. After the IPO and the offering of existing ordinary shares in NTL, the Bank's shareholding in the company is expected to reduce, at the most, to about 30% from 50%.

Thai economic outlook

Krungsri is of the view that the Thai economic recovery would take at least two years before returning to the pre-pandemic level. And, barring the heightened risks pertaining to the recent domestic outbreak of COVID-19, Krungsri Research forecasts the Thai economy to grow 2.5% for 2021, from the low base which is a contraction of 6.4% in 2020. Furthermore, the recovery is expected to be uneven across economic sectors and firms in different industries.

Supported by fiscal and supply-side policies, public investment and expenditure would remain an important growth driver.The continued accommodative monetary policy would help complement a private consumption recovery, even though it could still be restrained by vulnerable and highly uncertain household income. Merchandise exports would gradually improve, meanwhile, exports of services would recover at a slower pace as the re-opening of the country would only allow a limited number of foreign tourist arrivals.

Risk factors going forward would include the possibility of the intensification of the current outbreak of COVID-19, the availability of the vaccines and scale of the re-opening of the country for foreign tourists in 2021, and the continuity of government's economic stimulus measures.

The progress of Krungsri's measures to assist customers impacted by the coronavirus pandemic

Krungsri has continued to implement preemptive measures in alleviating financial burdens for both commercial and retail customers facing financial distress by providing liquidity support and debt restructuring.

As of December 31, 2020, total loans outstanding under Krungsri's customer relief programs accounted for approximately 29% of total loans outstanding, representing 1,414,340 retail customer accounts and 37,216 commercial customers. For SMEs, additional credit lines of Baht 20,940 million were offered to 6,758 SME customers to boost their liquidity under the Bank of Thailand (BOT)'s and the Government Savings Bank's soft loan programs.

Summary of Financial Performance and Status:

Key 2020 deliverables:

- **Net Profit:**
  Net profit was recorded at Baht 23,040 million, a decrease of Baht 3,901 million or 14.5% from normalized net profit in 2019, largely attributed to a conservative buffer taking into account the pro-cyclicality of forward-looking expected credit loss (ECL) models and management overlay under the TFRS 9 framework resulting from a severe economic contraction due to the coronavirus pandemic.

  Including the one- off items in 2019 (the recognition of gains on investment from the NTL transaction and the provision for compensation in personnel expenses relating to severance payment in accordance with the amended Labor Protection Act), the net profit decreased by 29.6%, or Baht 9,709 million from 2019.

- **Loan Growth:**
  Increased by 0.8%, or Baht 15,058 million, compared to December 2019. The growth was driven by retail and SME loans which grew by 2.2% and 2.0%, respectively. Meanwhile, corporate loans contracted by 1.5%, mainly due to loan repayments made by Thai corporates.

- **Deposit Growth:**
  Significantly increased by 17.1%, or Baht 267,620 million, compared to December 2019, driven by CASA deposits, corresponding to customers' preference for liquid assets.



- **Net Interest Margin (NIM):**
  Moderated to 3.47% from 3.60% in 2019, driven by a decrease in yield on earning assets, attributing to multiple lending rate cuts in corresponding to and supporting of the central bank's policy rate cuts in lessening impacts of the economic retrenchment and reducing customers' financial burdens.

- **Non-Interest Income:**
  Non-interest income decreased by Baht 12,502 million, or 27.7%, from 2019, mainly caused by the absence of one-time gains on investments in 2019, and a decrease in net fees and service income, resulting from a severe economic contraction.

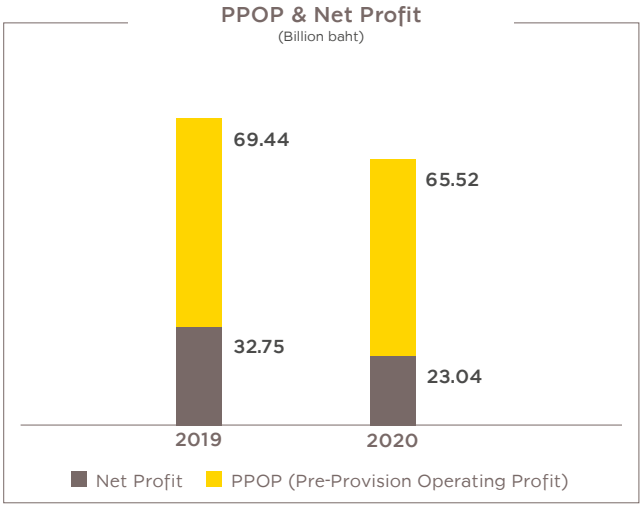
  (Upon adjusting the aforementioned one-time gains on investments in 2019, non-interest income decreased by Baht 3,877 million, or 10.6%, from 2019.)

- **Cost to Income Ratio:**
  With the improvement in operating efficiency and digital transformation amid the ongoing economic challenges, the cost to income ratio in 2020 was at 42.5%, improving from normalized cost to income ratio of 45.1% in 2019.

- **Non-Performing Loan (NPL) Ratio:**
  Recorded at 2.00%, relatively stable from 1.98% in December 2019.

- **Coverage Ratio:**
  Recorded at a new high level at 175.1%, compared to 163.8% in December 2019.

- **Capital Adequacy Ratio:**
  Recorded at 17.92%, compared to 16.56% in December 2019.



In 2020, the operating profit was Baht 65,522 million, an increase of Baht 3,546 million, or 5.7% from normalized operating profit in 2019, largely driven by effective expense management and operating efficiency gained from digital transformation.

Including the extra-ordinary items in 2019 - the one-time gains on investment and the provision for compensation in personnel expenses relating to severance payment in accordance with the amended Labor Protection Act – operating profit decreased Baht 3,917 million, or 5.6% from 2019.

The net profit registered Baht 23,040 million, a decrease of Baht 9,709 million, or 29.6% from 2019, driven by lower operating profit in absence of extraordinary items recorded in 2019 and a higher provision corresponding to the higher expected credit loss (ECL), a prudential safeguard in light of a severe economic contraction together with the implementation of TFRS 9 which became effective from January 1, 2020 onwards.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Consolidated	2020	2019	Change YoY	
			Million baht	%
Interest Income	108,062	110,455	(2,393)	(2.2)
Interest Expense	26,758	34,032	(7,274)	(21.4)
Interest Income, Net	**81,304**	**76,423**	**4,881**	**6.4**
Fees and Service Income	24,812	29,652	(4,840)	(16.3)
Fees and Service Expense	7,248	7,875	(627)	(8.0)
Fees and Service Income, Net	**17,564**	**21,777**	**(4,213)**	**(19.3)**
Non-interest and Non-fees Income	15,119	23,408	(8,289)	(35.4)
Other Operating Expenses	48,465	52,169	(3,704)	(7.1)
Pre-Provision Operating Profit (PPOP)	**65,522**	**69,439**	**(3,917)**	**(5.6)**
Expected Credit Loss	36,644	-	36,644	-
Impairment Loss of Loan and Debt Securities	-	28,203	(28,203)	(100.0)
Income Tax Expense	5,538	8,104	(2,566)	(31.7)
Net Profit	**23,340**	**33,132**	**(9,792)**	**(29.6)**
Other Comprehensive Income, Net	(344)	1,653	(1,997)	(120.8)
Total Comprehensive Income	**22,996**	**34,785**	**(11,789)**	**(33.9)**
Net Profit Attributable To				
Owners of the Bank	23,040	32,749	(9,709)	(29.6)
Non-Controlling Interest	300	383	(83)	(21.7)
Net Profit	**23,340**	**33,132**	**(9,792)**	**(29.6)**
Total Comprehensive Income Attributable To				
Owners of the Bank	22,687	34,405	(11,718)	(34.1)
Non-Controlling Interest	309	380	(71)	(18.7)
Total Comprehensive Income	**22,996**	**34,785**	**(11,789)**	**(33.9)**
Earning Per Share (Baht)	**3.13**	**4.45**	**(1.32)**	**(29.7)**

FINANCIAL PERFORMANCE

Net Interest Income

Consolidated	2020	2019	Change YoY	
			Million baht	%
INTEREST INCOME				
Interest on loans	69,158	72,244	(3,086)	(4.3)
Interest on interbank and money market items	2,720	4,681	(1,961)	(41.9)
Hire purchase and financial lease income	34,526	31,073	3,453	11.1
Investments and trading transactions	61	91	(30)	(33.0)
Investments in debt securities	1,561	2,279	(718)	(31.5)
Other Interest Income	36	87	(51)	(58.6)
Total Interest Income	**108,062**	**110,455**	**(2,393)**	**(2.2)**
INTEREST EXPENSE				
Interest on deposits	15,521	18,226	(2,705)	(14.8)
Interest on interbank and money market items	2,603	4,168	(1,565)	(37.5)
Interest on borrowings	4,522	4,415	107	2.4
Contributions to Financial Institution Development Fund and Deposit Protection Agency	4,011	7,089	(3,078)	(43.4)
Borrowing fee expenses	-	74	(74)	(100.0)
Other interest expenses	101	60	41	68.3
Total Interest Expenses	**26,758**	**34,032**	**(7,274)**	**(21.4)**
Interest Income, Net	**81,304**	**76,423**	**4,881**	**6.4**
Net Interest Margin	3.47%	3.60%		
Yield on Earning Assets	4.61%	5.20%		
Cost of Funds	1.27%	1.78%		

For 2020, interest income was recorded at Baht 108,062 million, a decrease of Baht 2,393 million, or 2.2%, compared to 2019. Key items are as follows:

- Interest on loans decreased by Baht 3,086 million, or 4.3%, largely corresponding to multiple lending rate cuts and interest rate ceiling reductions for consumer finance loans.
- Interest on interbank and money market items decreased by Baht 1,961 million, or 41.9%, mainly due to lower repurchase agreement rates, reflecting the policy rate cuts.
- Interest on hire purchase and financial lease income increased by Baht 3,453 million, or 11.1%, resulting from an auto hire purchase portfolio expansion and higher effective interest rates calculated under the TFRS 9 framework.

Interest expenses were recorded at Baht 26,758 million, decreasing by Baht 7,274 million, or 21.4% from 2019. Key items are as follows:

- Contributions to the Financial Institutions Development Fund (FIDF) and Deposit Protection Agency (DPA) decreased by Baht 3,078 million, or 43.4%, corresponding to the reduced rate of contribution to the FIDF.
- Interest on deposits decreased by Baht 2,705 million, or 14.8%, mainly resulting from the reduction of time deposit interest rates.
- Interest on interbank and money market items decreased by Baht 1,565 million, or 37.5%, mainly due to decreased loans from financial institutions.

Consequently, net interest income was recorded at Baht 81,304 million, representing an increase of Baht 4,881 million, or 6.4% from 2019.

The interest rate movements in 2020 are as follows:

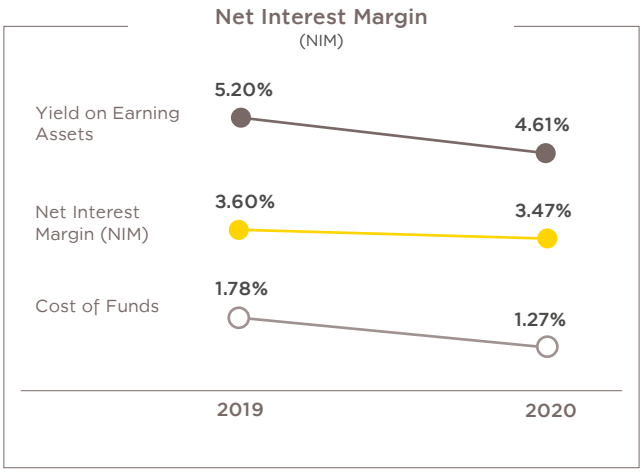
- To mitigate the impacts on the economy and reduce interest burdens for borrowers affected by the coronavirus pandemic, the Monetary Policy Committee (MPC) cut the policy rate three times with the following details.
  - The MPC cut the policy rate by 0.25% from 1.25% to 1.00%, effective February 5, 2020.
  - At its special meeting on March 20, 2020, the MPC cut the policy rate by 0.25%, from 1.00% to 0.75%, effective March 23, 2020.
  - The MPC cut the policy rate by 0.25% from 0.75% to 0.50%, effective May 20, 2020.

- In alignment with the Bank of Thailand's policy rate cuts in 2020, the Bank announced reductions in interest rates as follows:
  - A 0.25% reduction in Minimum Retail Rate (MRR), effective February 8, 2020.
  - A 0.12% reduction in Minimum Loan Rate (MLR), and a 0.25% reduction in Minimum Overdraft Rate (MOR), effective March 24, 2020.
  - A 0.40% reduction in Minimum Loan Rate (MLR), Minimum Retail Rate (MRR), and Minimum Overdraft Rate (MOR), effective April 10, 2020.
  - A 0.25% reduction in Minimum Loan Rate (MLR) and Minimum Retail Rate (MRR) and a 0.35% reduction in Minimum Overdraft Rate (MOR), effective May 21, 2020.

- Effective August 1, 2020, corresponding to the Bank of Thailand's notifications, Krungsri reduced interest rate ceilings of credit cards and personal loans in the range of 2% to 4% to assist retail customers impacted by the sharp economic contraction.

Compared to 2019, yield on earning assets in 2020 decreased to 4.61% from 5.20%, reflecting a decrease in yield on loans to 5.68% from 5.85%, mainly due to the policy rate cuts and multiple lending rate cuts during the period. Meanwhile, cost of funds improved to 1.27% from 1.78%, mainly resulting from the reduced contribution rate to FIDF, broad-based reductions of deposit rates, and a larger proportion of CASA balance.

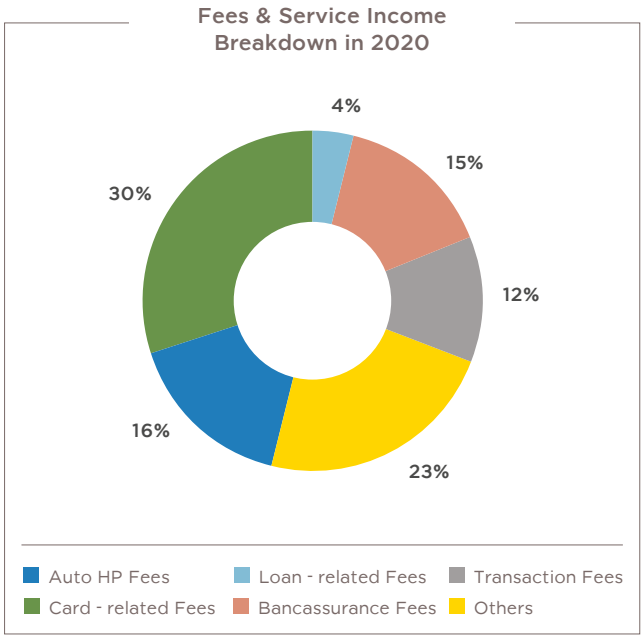
Consequently, NIM moderated to 3.47% from 3.60% in 2019.



	2019	2020
Yield on Loans	5.85%	5.68%
Cost of Deposits	1.67%	1.14%

Non-Interest Income

Consolidated	2020	2019	Change YoY	
			Million baht	%
Acceptances, aval and guarantees	500	524	(24)	(4.6)
Other fees and service income	24,312	29,128	(4,816)	(16.5)
Fees and service income	**24,812**	**29,652**	**(4,840)**	**(16.3)**
Fees and service expense	7,248	7,875	(627)	(8.0)
Net fees and service Income	**17,564**	**21,777**	**(4,213)**	**(19.3)**
Gains (losses) on financial instrument measured at fair value through profit or loss (FVTPL)	4,112	4,350	(238)	(5.5)
Gains (losses) on investments	109	9,232	(9,123)	(98.8)
Share of profit (loss) from investment for using equity method	1,523	1,409	114	8.1
Bad debt recoveries	6,753	6,483	270	4.2
Other operating income	2,622	1,934	688	35.6
Total non-interest and non-fees Income	**15,119**	**23,408**	**(8,289)**	**(35.4)**
Non-Interest Income	**32,683**	**45,185**	**(12,502)**	**(27.7)**



For 2020, total non-interest income was Baht 32,683 million, decreasing by Baht 12,502 million, or 27.7%, compared to last year. Details are as follows:

- Corresponding to a sharp contraction in business and economic activities caused by the pandemic, net fees and service income was Baht 17,564 million, decreasing by Baht 4,213 million, or 19.3%. Key factors are:
  - o Fees and service income decreased by Baht 4,840 million, or 16.3%, mainly resulting from:
    - Card-related fees decreased by Baht 3,365 million, or 30.9%, corresponding to a sharp contraction on both economic and business activities.
    - Auto hire purchase fees decreased by Baht 1,301 million, or 24.9%, following weaker purchasing power and the TFRS 9 income recognition.
    - Collection fees decreased by Baht 173 million, or 24.2%.
  - o Correspondingly, fees and service expenses decreased by 8.0%, or Baht 627 million, mainly resulting from ATM and card network fees.
- Gains on investments significantly decreased by Baht 9,123 million, or 98.8%, mainly due to the absence of one-time gains on investment from the NTL transaction in 2019.

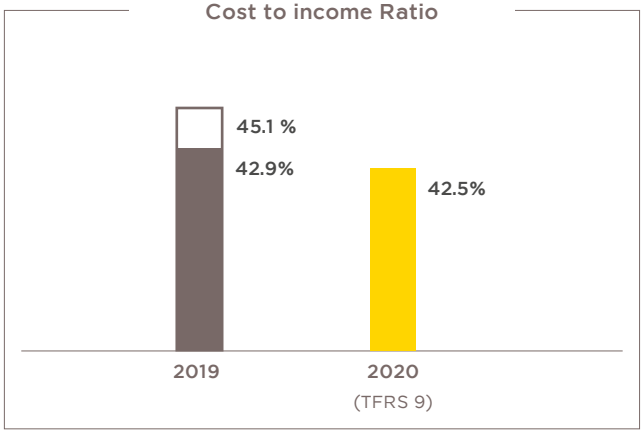
Other Operating Expenses

Consolidated	2020 (TFRS 9)	2019	Change YoY	
			Million baht	%
Employee expenses	25,297	27,649	(2,352)	(8.5)
Premises and equipment expenses	7,550	7,922	(372)	(4.7)
Taxes and duties	2,535	2,871	(336)	(11.7)
Directors' remuneration	64	59	5	8.5
Other expenses	13,019	13,668	(649)	(4.7)
Total Other Operating Expenses	**48,465**	**52,169**	**(3,704)**	**(7.1)**

Total other operating expenses were Baht 48,465 million, decreasing by Baht 3,704 million, or 7.1% from 2019. Key items are as follows:

- Employee expenses decreased by Baht 2,352 million, or 8.5%, mainly from the absence of the provision for compensation in personnel expenses relating to severance payment in accordance with the amended Labor Protection Act which was recorded in 2019.
- Other expenses decreased by Baht 649 million, or 4.7%, driven by a decrease in marketing promotion expenses, corresponding to an economic contraction in 2020, following the coronavirus pandemic.

With the improvement in operating efficiency and digital transformation amid the ongoing economic challenges in 2020, the cost to income ratio was recorded at 42.5%, compared to the normalized cost to income ratio of 45.1% in 2019.



Remark*: Normalized cost-to-income ratio, (excluding one-time gains on investments from the NTL transaction and provision in accordance with the amended Labor Protection Act.)

Expected credit loss (ECL)

Consolidated	2020 (TFRS 9)	2019	Change YoY	
			Million baht	%
Expected credit loss	36,644	-	36,644	-
Impairment loss of loan and debt securities	-	28,203	(28,203)	(100.0)
Total	**36,644**	**28,203**	**8,441**	**29.9**

Given the ongoing uncertainty pertaining to the fragile macroeconomic recovery caused by the coronavirus pandemic in particular with the resurgence of COVID-19 cases in December 2020, Krungsri continued to steadily build up a conservative buffer taking into account the pro-cyclicality of forward-looking expected credit loss (ECL) models and management overlay under the TFRS 9 framework, which resulted in the expected credit loss totaling Baht 36,644 million for the year.

FINANCIAL STATUS

Statement of Financial Position

Consolidated	Dec 31, 2020	Dec 31, 2019	Change	
			Million baht	%
ASSETS				
Cash	30,333	33,831	(3,498)	(10.3)
Interbank and money market items, net	523,385	331,431	191,954	57.9
Financial assets measured at FVTPL	786	-	786	-
Investments, net	162,100	118,340	43,760	37.0
Investments in subsidiaries and joint ventures, net	14,365	11,952	2,413	20.2
Loans to customers and accrued interest receivable, net	1,765,623	1,754,976	10,647	0.6
Properties for sale, net	3,366	3,500	(134)	(3.8)
Others	109,416	105,562	3,854	3.7
TOTAL ASSETS	**2,609,374**	**2,359,592**	**249,782**	**10.6**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits	1,834,505	1,566,885	267,620	17.1
Interbank and money market items	243,570	252,121	(8,551)	(3.4)
Debt issued and borrowings	146,119	175,667	(29,548)	(16.8)
Others	96,001	92,803	3,198	3.4
TOTAL LIABILITIES	**2,320,195**	**2,087,476**	**232,719**	**11.1**
Issued and paid-up share capital	73,558	73,558	0	0.0
Retained earning	156,836	140,041	16,795	12.0
Others	58,785	58,517	268	0.5
TOTAL SHAREHOLDERS' EQUITY	**289,179**	**272,116**	**17,063**	**6.3**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,609,374**	**2,359,592**	**249,782**	**10.6**
Book value per share (Baht)	**39.31**	**36.99**	**2.32**	**6.3**

As of December 31, 2020, total assets stood at Baht 2,609,374 million, representing an increase of Baht 249,782 million, or 10.6%, from December 2019. Key items are as follows:

- Net interbank and money market items increased by Baht 191,954 million, or 57.9%, mainly resulting from an increase in repurchase agreements of Baht 186,126 million.
- Net investments increased by Baht 43,760 million, or 37.0%, mainly resulting from an increase in fair value through other comprehensive income (FVOCI).
- Loans to customers increased by Baht 15,058 million, or 0.8%.

As of December 31, 2020, total liabilities stood at Baht 2,320,195 million, representing an increase of Baht 232,719 million, or 11.1%, from December 2019. Key items are as follows:

- Deposits significantly increased by Baht 267,620 million, or 17.1%, largely driven by CASA deposits.
- Debts issued and borrowings decreased by Baht 29,548 million, or 16.8%, driven mainly by a decrease in debentures of Baht 29,850 million.
- Interbank and money market items decreased by Baht 8,551 million, or 3.4%, mainly due to a decrease in loans from financial institutions of Baht 13,951 million and repurchase agreement of Baht 1,438 million, offset by an increase in deposit from financial institutions of Baht 6,837 million.

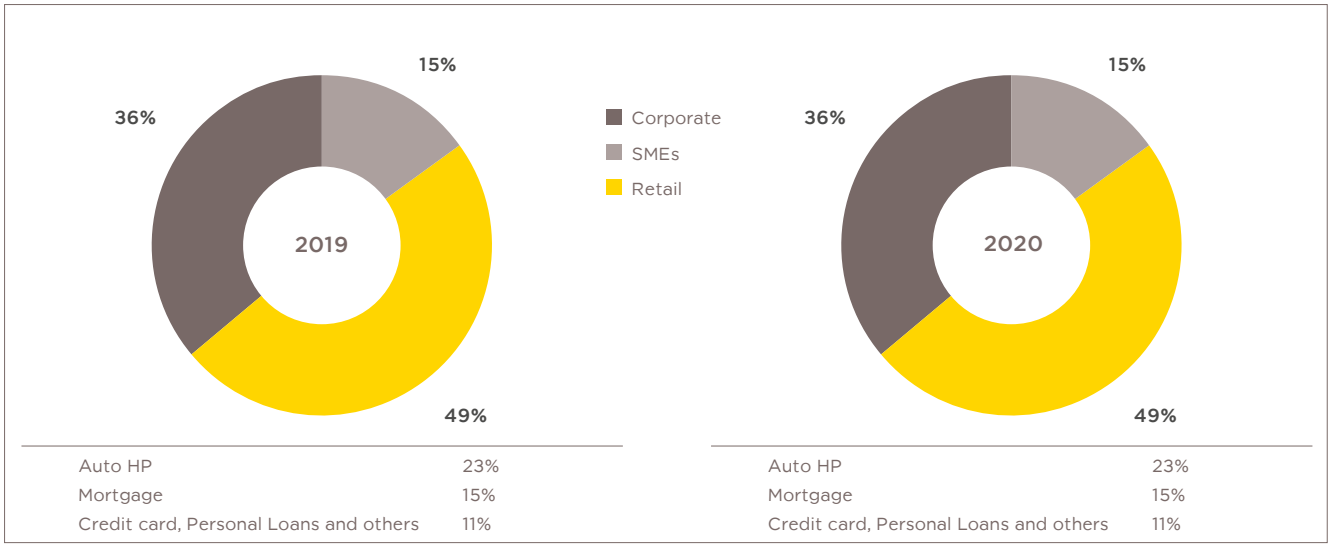
As of December 31, 2020, total shareholders' equity stood at Baht 289,179 million, an increase of Baht 17,063 million, or 6.3%, from December 2019 due to an increase in equity holders' net profit of Baht 23,040 million in 2020, which was partially offset by dividends paid of Baht 3,310 million and the impact of the TFRS 9 first-time adoption recorded in 1Q/20.

Book value per share as of December 31, 2020 increased by 6.3% to Baht 39.31 from Baht 36.99 at the end of 2019.

LOANS TO CUSTOMERS

Loans by segment

Consolidated	Dec 31, 2020	Dec 31, 2019	Change	
			Million baht	%
Corporate	**651,254**	**661,147**	**(9,893)**	**(1.5)**
- Thai Corporate	405,730	427,197	(21,467)	(5.0)
- International Corporate (JPC/MNC)	245,524	233,950	11,574	4.9
SMEs	**278,787**	**273,224**	**5,563**	**2.0**
Retail	**902,894**	**883,506**	**19,388**	**2.2**
- Hire purchase	423,860	414,192	9,668	2.3
- Mortgage	284,201	270,112	14,089	5.2
- Credit cards, personal loans and others	194,833	199,202	(4,369)	(2.2)
Total	**1,832,935**	**1,817,877**	**15,058**	**0.8**



As of December 31, 2020, total outstanding loans stood at Baht 1,832,935 million, an increase of Baht 15,058 million, or 0.8% from December 2019.

At the end of December 2020, commercial loans, comprising corporate and SME loans, were accounted for 51% of the total loan portfolio, while retail lending represented the remaining 49%.

Details of loan performance by segment are as follows:

Corporate loans decreased by 1.5%, or Baht 9,893 million from December 2019, of which Thai corporate loans contracted by 5.0%, or Baht 21,467 million, largely attributed to subdued domestic private investment conditions. Meanwhile, International Corporate (JPC/MNC) loans increased by 4.9%, or Baht 11,574 million.

SME loans grew by 2.0%, or Baht 5,563 million from December 2019, driven partly by our liquidity support attributed to the soft loan program and credit measures for SME customers

The **retail loan segment** increased by 2.2%, or Baht 19,388 million, from December 2019.

- **Auto hire purchase loans** grew by 2.3%, or Baht 9,668 million, from December 2019, driven by the new car segment in line with the industry development.
- **Mortgage loans** increased by 5.2%, or Baht 14,089 million, from December 2019. The growth in mortgage loans was consistent with Krungsri's selective growth strategy.
- **Credit card and personal loans** contracted by 2.2%, or Baht 4,369 million, from December 2019, from COVID-19 lockdowns in the first half of the year, meanwhile improving in 4Q/2020 from the relaxation of lockdown measures and seasonal year-end spending pattern prior to the resurgence of COVID-19 cases in late December.

Loan classification

Loan classifications as of December 31, 2020, compared to December 31, 2019 (prior to the adoption of TFRS 9) are as follows:

(Unit: Million baht)

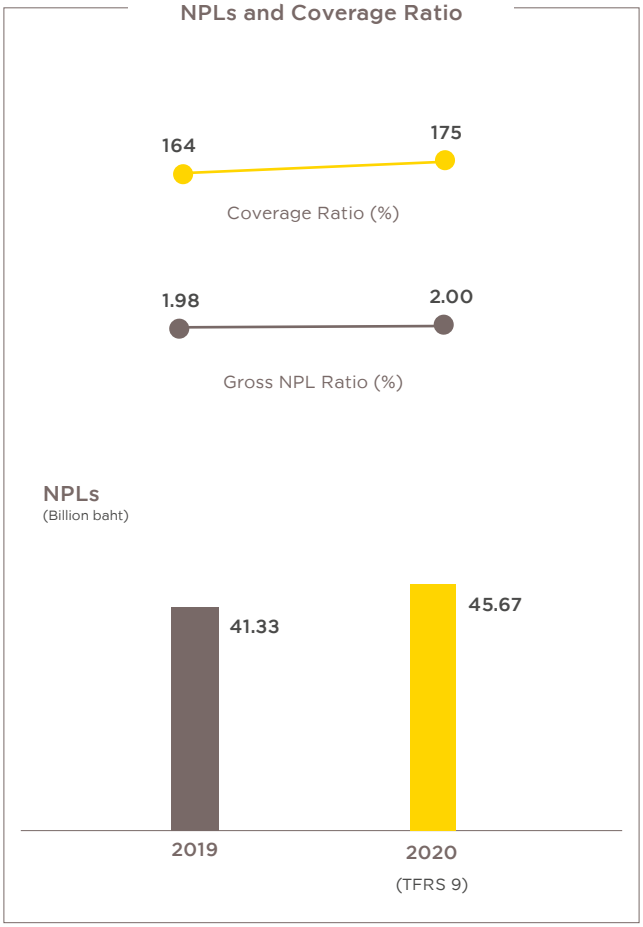
Consolidated	Dec 31, 2020	
	Loan to Customers and Accrued Interest Receivable	Allowance for Expected Credit Loss
Stage 1 (Performing)	1,651,700	32,982
Stage 2 (Under-performing)	143,545	18,214
Stage 3 (Non-performing)	46,785	25,211
Total	**1,842,030**	**76,407**

(Unit: Million baht)

Consolidated	Dec 31, 2019	
	Loans and Accrued Interest Receivable	Provision
Normal	1,718,385	13,758
Special mention	62,641	7,799
Substandard	12,257	6,306
Doubtful	6,531	3,217
Doubtful of loss	22,546	11,871
Total	1,822,360	42,951
Surplus Reserve		22,759
Total	**1,822,360**	**65,710**

Stage 3 (non-performing loans) at the end of December 2020 was Baht 46,785 million. As a prudential safeguard to cushion against loan quality deterioration, an allowance for the expected credit loss was at Baht 76,407 million.

Non-performing loans



Stage 3 (non-performing)* by segment

Consolidated	Dec 31, 2020 (TFRS 9)	Dec 31, 2019
Corporate	1.0%	1.0%
SME	4.4%	5.4%
Retail	3.0%	2.3%
Hire Purchase	1.9%	1.9%
Mortgage	4.1%	3.4%
Personal Loans, Credit Cards, and Others	3.9%	1.6%

Remark*: Excluding accrued interest in accordance with the BOT's guideline.

As of December 31, 2020, gross NPLs stood at Baht 45,672 million, an increase of Baht 4,338 million, or 10.5%, from Baht 41,334 million at the end of December 2019, mainly due to the adoption of TFRS 9 and a severe economic contraction.

In 2020, Krungsri conducted the NPL sales in 4Q/20 of Baht 1,797 million.

With Krungsri Group's vigilant credit risk management practices, the ratio of gross NPLs as of December 31, 2020 was at 2.00%, relatively stable from 1.98% at the end of December 2019.

As of December 31, 2020, total loan loss reserves stood at Baht 79,981 million. The coverage ratio was recorded at a new high level at 175.1%, compared to 163.8% at the end of December 2019.

Investment in Securities

As of December 31, 2020, Krungsri Group had investments in government securities with a book value of Baht 130,440 million for the primary purpose of maintaining liquidity under the Bank of Thailand requirements, including liquid assets and intraday holding of liquidity. In addition, private sector securities held by Krungsri Group had a total value of Baht 32,446 million.

FUNDING STRUCTURE

Deposits

Consolidated	Dec 31, 2020	Dec 31, 2019	Change	
			Million baht	%
Current	**41,711**	**37,336**	**4,375**	**11.7**
Savings	**866,295**	**599,989**	**266,306**	**44.4**
Time	**926,499**	**929,560**	**(3,061)**	**(0.3)**
< 6 Months	404,168	370,607	33,561	9.1
6 Months and < 1 Year	64,812	88,673	(23,861)	(26.9)
1 Year and over 1 Year	457,519	470,280	(12,761)	(2.7)
Total Deposit	**1,834,505**	**1,566,885**	**267,620**	**17.1**

Borrowing

Consolidated	Dec 31, 2020	Dec 31, 2019	Change	
			Million baht	%
Debenture	80,680	110,530	(29,850)	(27.0)
Subordinated debenture	61,163	61,168	(5)	(0.0)
Other	4,276	3,969	307	7.7
Total Borrowing	**146,119**	**175,667**	**(29,548)**	**(16.8)**

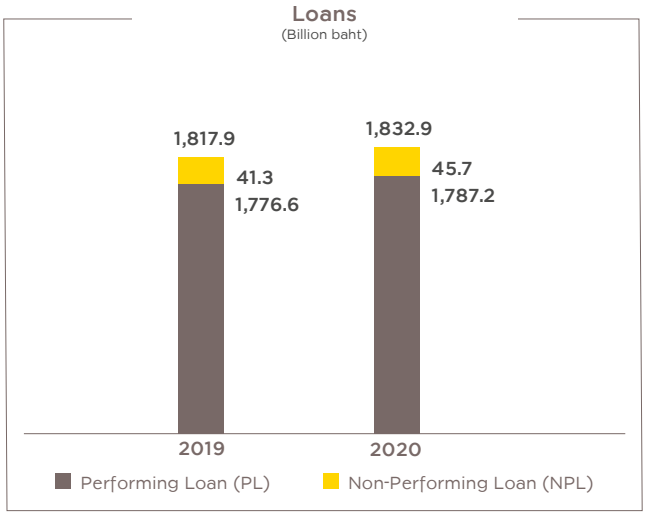
Deposits constitute the Bank's main source of funding. As of December 31, 2020, deposits totaled Baht 1,834,505 million, an increase of Baht 267,620 million, or 17.1% from December 2019, attributed to an increase in savings deposits of Baht 266,306 million, offset by a decrease in time deposits of Baht 3,061 million.

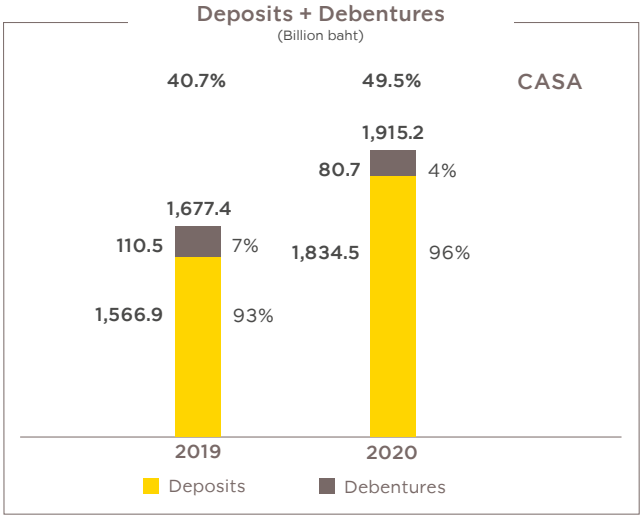
The strong deposit growth was a result of the heightened risk aversion among customers who postponed their investments and shifted to holding more deposits amid an economic contraction.

This results in the proportion of current and savings deposits (CASA) as a percentage of total deposits improving to 49.5%, compared to 40.7% in December 2019.

As of December 31, 2020, total borrowing stood at Baht 146,119 million, decreasing by Baht 29,548 million, or 16.8% from December 2019, mainly driven by matured debentures of Baht 39,884 million, offset by the issuance of long-term debentures amounting to Baht 10,000 million.

Consequently, the loan to deposit ratio and the loan to deposit plus debentures ratio improved to 100% and 96%, respectively, compared to 116% and 108% at the end of December 2019.





	2019	2020
L/D	116%	100%
L/D + Debentures	108%	96%

Contingencies

Consolidated	Dec 31, 2020	Dec 31, 2019	Change	
			Million baht	%
Avals to bills and Guarantees of loans	3,655	5,947	(2,292)	(38.5)
Liability under unmatured import bills	1,401	1,217	184	15.1
Letters of credit	5,005	3,965	1,040	26.2
Other contingencies	122,879	98,094	24,785	25.3
Total	**132,940**	**109,223**	**23,717**	**21.7**

Krungsri Group's contingencies as of December 31, 2020 totaled Baht 132,940 million, an increase of Baht 23,717 million, or 21.7%, from December 31, 2019. The increase was mainly caused by an increase in repurchase transactions of Baht 16,859 million and unused credit line of Baht 8,639 million.

Statutory Capital

As of December 31, 2020, the Bank's capital was recorded at Baht 276,258 million, equivalent to 17.92% of risk-weighted assets, comprising Common Equity Tier 1 (CET 1) capital of 12.85% and Tier 2 capital of 5.07%.

The current level of capital remains adequate to cope with current economic uncertainty, and well above the minimum regulatory capital requirements which include the capital conservation buffer and the additional CET1 requirement for Domestic Systemically Important Banks (D-SIBs), and sufficient to provide Krungsri with flexibility to both continue growing business and support customers impacted by both financial and economic challenges.

(Unit: Billion baht)

Bank only	Dec 31, 2020	Dec 31, 2019
Capital Fund		
Common Equity Tier 1 Capital	198.18	191.67
Tier 2 Capital	78.08	75.34
Total Capital Fund	276.26	267.01
Capital Adequacy Ratio		
Common Equity Tier 1 Ratio	12.85%	11.89%
Tier 2 Capital Ratio	5.07%	4.67%
Capital Adequacy Ratio	17.92%	16.56%

Remark:

Under the principles of Basel III, the Bank of Thailand requires all Thai commercial banks to maintain a minimum total capital ratio at 8.50% and gradually increase the conservation buffer by 0.625% per year from January 1, 2016 until reaching 2.50% by January 1, 2019.

The Bank of Thailand has adopted a supervisory framework for Domestic Systemically Important Banks (D-SIBs) by requiring qualified banks to maintain an additional Common Equity Tier 1 from the current minimum requirement, starting with 0.50% from January 1, 2019 and 1.00% from January 1, 2020 onwards.

Starting January 1, 2020, the minimum regulatory capital requirements comprise the Common Equity Tier 1 ratio at 8.00%, the Tier 1 ratio at 9.50%, and the capital adequacy ratio at 12.00%.

CREDIT RATINGS

Moody's Investors Service, Standard and Poor's, and Fitch Ratings announced to revise Krungsri's ratings and outlook. Details are as follows:

1) Moody's Investors Service revised the rating outlook to Stable from Positive on April 22, 2020, following its revision of Thailand's sovereign rating outlook to Stable from Positive, reflecting multiple impacts of the coronavirus outbreak.

2) Standard and Poor's revised the rating outlook to Stable from Positive on April 14, 2020, following its revision of Thailand's sovereign rating outlook to Stable from Positive, reflecting the economic uncertainty exacerbated by the coronavirus outbreak.

3) Fitch Ratings announced a downgrade of Krungsri Long-Term Issue Default Rating (IDR) to BBB+ from A- with a Stable outlook on April 8, 2020, following a similar rating action for MUFG Bank, of which IDR was downgraded to A- from A with a Stable outlook on April 8, 2020, reflecting its reduced ability to provide extraordinary support to the subsidiary. Meanwhile, Krungsri National Long-Term Rating has been affirmed at AAA (tha) with the revision of outlook to Stable from Negative.

4) Fitch Ratings revised Krungsri's rating outlook from Stable to Negative on August 13, 2020, following its revision of MUFG Bank's rating outlook from Stable to Negative on August 4, 2020, corresponding to the revision of the outlook on Japan's sovereign rating from stable to negative due the severe impacts of the coronavirus outbreak.

5) Fitch Ratings revised Krungsri's rating outlook from Negative to Stable on October 6, 2020, following its revision of MUFG Bank's rating outlook from Negative to Stable on September 24, 2020, reflecting Fitch Ratings' view that the government has extremely high propensity to support the financial system, especially the systemically important financial institutions in Japan.

The Bank's credit ratings assigned by Moody's Investors Service, Standard & Poor's, Fitch Ratings and TRIS Rating as of December 31, 2020 are shown in the table below.

1. Moody's Investors Service	
Bank Deposit – Long Term	Baa1
Bank Deposit – Short Term	P-2
Long-term Senior Debt	Baa1
Baseline Credit Assessment (BCA)	baa3
Outlook	Stable
2. Standard and Poor's	
Long-term Issuer Credit Rating	BBB+
Short-term Issuer Credit Rating	A-2
Long-term Senior Debt	BBB+
Stand-alone Credit Profile (SACP)	bb+
Outlook	Stable
3. Fitch Ratings	
International Ratings	
Long-term Issuer Default Rating	BBB+
Short-term Issuer Default Rating	F1
Subordinated Debt	BBB+
Viability Rating	bbb
Support	2
Outlook	Stable
National Ratings	
Long-term Rating	AAA (tha)
Long-term Debenture	AAA (tha)
Short-term	F1+ (tha)
Subordinated Debt	AA (tha)
Outlook	Stable
4. TRIS Rating	
Company Rating	AAA
Issue Rating – Senior Unsecured	AAA
Outlook	Stable

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Board of Directors is responsible for the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries and all financial information appearing in the annual report. These financial statements have been prepared in accordance with Thai Financial Reporting Standards. The Bank has chosen appropriate accounting policies applied on consistent basis, including careful consideration together with prudent and the best estimations where necessary and adequate disclosures have been made in the notes to the financial statements. These financial statements have been audited by independent auditors who have given their unmodified opinions. The financial statements reflect the true and fair financial position and operating results of the Bank and its subsidiaries, thus being useful to all shareholders and investors.

The Board of Directors has also adopted and maintained appropriate and effective systems of risk management and internal control so that we can be reasonably assured that accounting records are accurate, complete and adequate to maintain the assets of the Bank and these controls also identify weaknesses requiring preventive measures against fraud or other significant irregularities in the operations of the Bank.

In this regard, the Board of Directors has appointed an Audit Committee, independent directors, to be responsible for reviewing the quality of financial reporting and internal control mechanisms appropriately and efficiently and reviewing the Bank's performance in accordance with the laws relevant to the business of the Bank including the related party transactions to ensure that the aforementioned transactions are reasonable and optimized to the Bank. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee which is presented in this Annual Report.

The Board of Directors is of the opinion that the Bank's internal controls are satisfactory and allow for reasonable confidence in the reliability of the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries for the year ended December 31, 2020.



(Mr. Seiichiro Akita)
President and Chief Executive Officer



(Miss Duangdao Wongpanitkrit)
Director

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Bank of Ayudhya Public Company Limited comprises four independent directors, who have sufficient knowledge and experience to reliably review the financial statements and the Chairman of the Audit Committee does not serve as the Chairman of the Board of Directors and any other sub-committees. The members of the Audit Committee are:

1.	Ms. Potjanee	Thanavaranit	Chairman of the Audit Committee
2.	Mr. Virat	Phairatphiboon	Audit Committee Member
3.	Dr. Jamlong	Atikul	Audit Committee Member
4.	Ms. Tongurai	Limpiti	Audit Committee Member

Ms. Puntipa Hannoraseth, Head of Internal Audit Group, serves as the Secretary to the Audit Committee.

The Audit Committee performs its tasks as per the scope and responsibilities specified in the Audit Committee Charter as assigned by the Board of Directors. In 2020, the Audit Committee held a total of 14 meetings with management and senior executives in charge of concerned units and internal auditors. Also the Committee held two meetings with the external auditor without the presence of the management, and reported the results of each meeting to the Board of Directors for acknowledgement. The details of actions taken by the Audit Committee can be summarized as follows:

- **Financial reports**

  The Audit Committee has reviewed the Bank's quarterly, semi-annual and annual financial statements as well as the consolidated financial statements of the Bank and its subsidiaries by holding meetings with the external auditor and executives of the Accounting Division to consider financial statements (and also monitored potential impacts from the adoption of TFRS 9: Financial Instruments on financial statements). In this regard, it is of the opinion that financial reports of the Bank and its subsidiaries and any disclosed documents relating to the Bank's financial performance are accurate, adequate, reliable and reflect the true and fair view of the financial status of the Bank and comply with accounting standards, practices, and the requirements of the Bank of Thailand and the Office of the Securities and Exchange Commission. In addition, the Audit Committee held special meetings with the external auditor without the presence of the management to enquire about independence in performing their duties and expressing opinions, cooperation obtained from the Bank as well as issues that may result in significant loss or fraud. In 2020, the auditor did not have any material findings or reports of any suspicious behavior.

- **Internal control system and internal audit**

  The Audit Committee has reviewed effectiveness and adequacy of the internal control system by considering internal audit results of the Bank and the companies in the financial business group (the Bank and the group companies), the results of internal control adequacy assessment by using the internal control assessment form developed by the Office of the Securities and Exchange Commission under the concept of COSO (the Committee of Sponsoring Organizations of the Treadway Commission), a summary of fraud investigation reports, as well as reviewing and monitoring of the Bank's and the group companies' findings identified by the regulatory authorities as well as the external auditor. The Audit Committee is of the opinion that the internal control system of the Bank and its group companies is sufficient, appropriate and effective, while root causes were specified, rectification actions and preventive measures were appropriately undertaken. The Audit Committee acknowledged the assessment results of the Internal Control over Financial Reporting process and concluded that internal controls and the financial reporting preparation process were designed and implemented effectively. In 2020, there were no significant risks or errors reported.

  For internal audit activities, the Audit Committee considered the independence and adequacy of internal audit resources, and endorsed the revision of the Charter and the Audit Policy of the Internal Audit Group before submission to the Board of Directors. It also approved the Internal Audit Group's medium-term business plan, staff development and training plan, audit plans, and revised audit plans, monitored auditing activities on a monthly basis, and regularly provided recommendations to the Internal Audit Group. To cultivate corporate culture and uplift compliance procedures,

the Audit Committee encourages and supports the Bank and the companies in the financial business group to advance risk management and internal controls, of which assessment is fairly conducted by the Internal Audit Group.

In addition the Audit Committee is of the opinion that the Head of Internal Audit Group has adequate educational background, work experience, and training to carry out her duties. An annual performance evaluation of the Head of Internal Audit Group was conducted.

The Audit Committee consented to the annual credit review plan prior to submission to the Board of Directors and approved the revised half-year credit review plan including considered, and enquired about findings identified in credit review results and follow-ups to corrective actions undertaken by departments concerned to ensure that the credit granting processes of the Bank and its group companies are appropriate.

- **Related party transactions or transactions that may create conflicts of interest**

  The Audit Committee considered related party transactions or transactions that may create conflicts of interest before submission to the Board of Directors. The Audit Committee is of the opinion that they are conducted on an arm's length basis and that relevant information is transparently disclosed based on the principle of prudence, integrity, transparency and the Bank's optimized benefits.

- **Good governance**

  The Audit Committee received complaints and acknowledged the results of complaint resolutions from the responsible departments and is of the opinion that complaint resolution management has been appropriately and fairly conducted.

- **Risk management**

  The Audit Committee considered minutes of the Risk and Compliance Committee and the Risk Management Committee meetings, and held meetings for exchanging views with the Risk and Compliance Committee to ensure the comprehensiveness of the risk management policies and strategies which should cover significant existing and new types of risk as well as whether the actions taken per these policies and strategies are effective and efficient. In this regard, the Audit Committee is of the opinion that the Bank's risk management is adequate, and that preventive guidelines and measures are in place to appropriately handle potential situations.

- **Compliance with regulatory requirements**

  The Audit Committee oversaw and monitored the operations, business undertaking or actions taken by the Bank and its group companies to ensure compliance with requirements and laws relevant to the banking business as well as the Bank's policies and procedures, by considering the results of regulatory compliance supervision as per reports of the Compliance Committee and audit results reported by the Internal Audit Group, the Bank of Thailand, the Office of the Securities and Exchange Commission, and the external auditor on a regular basis.

- **External auditor**

  The Audit Committee considered, selected, and nominated the auditors of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited as the independent auditors of the Bank and the companies in the financial business group for 2020 by taking into consideration the qualifications specified by the Bank of Thailand and the Office of the Securities and Exchange Commission, whereby a qualified auditor shall not have any relationships with or interest in the Bank, its management, major shareholders or related parties in a manner that affect the independent operations, and shall not hold positions such as director, employee, contractual staff or any positions in the Bank and its group companies. The Audit Committee also considered appropriateness of audit fee in order to submit to the Board of Directors for further submission to the shareholders' meeting to approve the nomination of the auditor and the audit fee. In addition, the Audit Committee prudently considered the independence of the external auditor in providing non-audit services.

- **Others**

The Audit Committee Charter was reviewed and updated for greater clarity and comprehensiveness.

The Audit Committee has assessed its annual performance in order to ascertain that it has been efficient and effective and has achieved its objectives as assigned by the Board of Directors. In 2020, the overall assessment result is at the score of 3.99 out of 4.00.

The Audit Committee had performed its duties as specified in its Charter with prudence, independence, and transparency, and provided constructive comments and recommendations without any limitation in obtaining information, resources or cooperation from the Bank for equitable sharing of benefits among stakeholders, with the Bank's and its group companies' ultimate interest as a priority.

The Audit Committee is of the opinion that the financial statements of the Bank and its subsidiaries are fairly presented in all material aspects in accordance with financial reporting standards and regulatory requirements as well as with adequate and appropriate disclosure. It is also of the opinion that the external auditor is independent and has performed all its duties professionally. The Audit Committee notes that the Bank and the group companies have sound corporate governance, adequate and effective risk management, internal controls, and internal audits. The Bank has regularly monitored important changes so that it is well prepared to face potential risks that may arise in the future.



(Ms. Potjanee Thanavaranit)
Chairman of the Audit Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) is appointed by the Board of Directors, and is currently composed of four Bank's directors, two of which are independent directors, namely Mr. Jamlong Atikul who serves as Chairman of the NRC and Mr. Virat Phairatphiboon, and the other two are non-executive directors, namely Mr. Noriaki Goto and Ms. Nopporn Tirawattanagool. The current committee composition is in compliance with the Charter of the Nomination and Remuneration Committee (the NRC Charter) which stipulates that the NRC shall consist of at least 3 directors who are the Bank's independent directors or non-executive directors whereby the Chairman must be an independent director.

In 2020, the Nomination and Remuneration Committee held a total of 15 meetings. Also, one meeting was held with the Risk and Compliance Meeting to discuss Krungsri total remuneration management to ensure that the Bank's remuneration policy could reflect important risks and is in accordance with the good corporate governance principle.

The Nomination and Remuneration Committee carried out supervisory role with regard to nomination and remuneration according to the duties and responsibilities as set forth in the NRC Charter including formulation of policies, rules, and procedures for nomination and selection as well as determination of remuneration and other benefits for directors, members of the committees reporting directly to the board (board committees), and senior executives of the Bank as well as directors and managing directors or persons holding equivalent position of Krungsri entities in which the Bank holds more than 50% of shares. Results of all deliberations were proposed to the Board of Directors' consideration with some matters being further proposed to the shareholders' meeting as stipulated by the articles of association and laws.

Significant undertakings in 2020 could be summarized as follows:

- Reviewing the NRC Charter to ensure that the NRC roles, duties and responsibilities duly comply with the Bank of Thailand Notification Re: Corporate Governance of Financial Institutions as well as the good corporate governance principles and the policy for governing group companies of the Bank.
- Selecting and nominating candidates as directors to replace those retiring by rotation and nominating board committee members according to the selection process by taking into consideration the Board Skills Matrix which illustrates qualifications and diversity in terms of knowledge, competencies, experience, and academic profile to ensure the effective board composition that is aligned with the Bank's business strategies.
- Enhancing board assessment efficiency according to the good corporate governance principles by having entire board self-evaluation, independent director evaluation, cross-evaluation, and board committee self-evaluation for annual performance review whereby online evaluation tool was introduced to utilize technology to simply the evaluation process.
- Considering remuneration structure and rates for directors, board committee members, and senior executives of the Bank as well as remuneration for managing directors of Krungsri entities to ensure that the remuneration is commensurate with the responsibilities and individual performance, market competitive, and appropriate for the prevailing economic situation.
- Nominating qualified candidates as the Bank's senior executives at Executive Vice President level and above according to the nomination and remuneration process and appointing successors to key positions that become vacant due to retirement of senior executives.
- Supervising relevant parties in establishing a more effective succession plan to ensure availability and readiness of successors to critical roles for smooth business operation. Reviewing the succession plan annually as part of sustainable human resource management.

- Considering performance evaluation results of the President and Chief Executive Officer and senior executives of the Bank as well as managing directors of Krungsri entities. Determining competitive and fair remuneration based on Krungsri internal total remuneration management guidelines and pay structure taking into account the individual performance against the targets, the Bank's operating results, industry benchmark, and business environment.
- Considering organization restructuring proposals at Functional Group level and above or substantial or major changes in the Bank's organization structure to achieve the organization's right size and the right shape that promotes efficient business operation and productivity as well as supports Krungsri business strategies and directions.

The Nomination and Remuneration Committee has constantly provided constructive advice to Human Resources Group with regard to execution of human resource management strategies including total remuneration management, the organization's right size and right shape, productivity improvement, senior executive rotation, employee benefit enhancement, etc.

The Nomination and Remuneration Committee has performed duties as set forth in the NRC Charter with prudence and transparency as well as compliance with relevant laws and regulations and the good corporate governance principles for the utmost benefits of the Bank and shareholders. Having capitalized on full capabilities and given best efforts, the Nomination and Remuneration Committee has taken all reasonable steps to support Krungsri to achieve sustainable human resource management and people excellence to keep pace with the changing business model in the future.



(Mr. Jamlong Atikul)
Chairman of the Nomination and Remuneration Committee

REPORT OF THE RISK AND COMPLIANCE COMMITTEE

The Risk and Compliance Committee (RCC) consists of four directors as follows:

1. Mr. Virat Phairatphiboon	(Independent Director)	Chairman
2. Ms. Nopporn Tirawattanagool	(Non-executive Director)	Member
3. Mr. Toru Matsuda	(Non-executive Director)	Member
4. Mrs. Tongurai Limpiti	(Independent Director)	Member

Mr. Virat Phairatphiboon was appointed as the Chairman of the Risk and Compliance Committee since October 24, 2018. The number of committee members was expanded to four starting from February 1, 2020 with the addition of Mrs. Tongurai Limpiti, who was appointed as a Risk and Compliance Committee member from February 1, 2020, onwards.

Mr. Saengchart Wanichwatphibun, the Chief Compliance Officer, assumed the role of the Risk and Compliance Committee Secretary.

As per the Charter, the Risk and Compliance Committee ("the Committee") was appointed by the Board of Directors to oversee the assessment and make recommendation, while monitoring the overall framework and practices pertaining to risk management and compliance related requirements. The Committee also has an oversight role regarding good governance practices to ensure that they align with established policies, procedures, and processes to prevent any undesirable impact on the Bank and the companies within the financial business group.

In 2020, the Committee held 12 meetings, whereby matters from each meeting were duly reported to the Board of Directors. The Committee's overall proceedings for the year 2020, can be summarized as follows:

1. **The Policy Aspect**

   The Committee conducted a review and made recommendations to 46 Policies of the Bank pertaining to risk and compliance as well as other relevant policies, which were all endorsed and/or approved by the Board of Directors. The review was conducted to ensure that these policies would remain consistent with regulatory requirements and directives as mandated by the regulators.

2. **The Risk Management and Compliance Practices Aspect**

   The Committee had reviewed, monitored, and provided advice(s) on the overall risk parameters, including capital, liquidity, compliance, etc., to ensure that these risks and compliance measures remain effective for the Bank and companies within the financial business group.

3. **The Other Aspect**

   The Committee held 2 meetings during the year to discuss and exchange views with the Audit Committee on various oversight matters to ensure that the business operations of the Bank and companies within the financial business group remain safe and sound and align with the Notification of the Bank of Thailand No. SorNorSor. 10/2561, Re: Corporate Governance of Financial Institutions Pertaining to Duties, Responsibilities and Composition of the Oversight Committee.

The Committee also reviewed the Annual Compliance Report, which was reported to and endorsed by the Board of Directors before submitting the Report to the Bank of Thailand and other relevant regulators. The Committee also reviewed the 3-year Mid-term Business Plan (2021-2023) proposed by the Risk Management Group and the Compliance Division to ensure that these plans align with the business objective per the Bank's risk appetite over the course of the next 3 years.

In summary, the Committee has responsibly performed its roles and responsibilities as stipulated by the Charter, with integrity and transparency in accordance with the corporate governance framework and in the best interest of the Bank and companies in the financial business group. Furthermore, the Committee has conducted a self-assessment on its performance for the year to identify any weakness if any, for the benefit of enhancing the Committee's roles and responsibilities on a continuous basis.



(Mr. Virat Phairatphiboon)
Chairman of the Risk and Compliance Committee

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS BANK OF AYUDHYA PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Bank of Ayudhya Public Company Limited and its subsidiaries (the "Bank and subsidiaries") and the Bank's financial statements of Bank of Ayudhya Public Company Limited (the "Bank"), which comprise the consolidated and Bank's statements of financial position as at December 31, 2020, and the related consolidated and Bank's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and Bank's financial statements present fairly, in all material respects, the financial position of Bank of Ayudhya Public Company Limited and its subsidiaries and of Bank of Ayudhya Public Company Limited as at December 31, 2020, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs") and Bank of Thailand's regulation.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing ("TSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Bank's Financial Statements section of our report. We are independent of the Bank and subsidiaries in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and Bank's financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 3 to the financial statements that Bank of Ayudhya Public Company Limited and its subsidiaries have adopted group of Financial Instruments Standards which became effective for fiscal years beginning on or after January 1, 2020. The Bank and its subsidiaries elected to recognize the cumulative effect of initially applying such Standards as an adjustment to the beginning balances of retained earnings and other reserves of the current reporting period. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and Bank's financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and Bank's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
Allowance for expected credit loss The allowance for expected credit loss ("ECL") on loans to customers and provisions for loan commitments and financial guarantee contracts are considered to be a matter of most significance as they require the application of judgment, estimation and the use of subjective assumptions by management of the Bank and subsidiaries.	Based on our risk assessment, we established an audit approach including controls and substantive testing as a basis for our opinion. Accordingly, we have performed the following procedures amongst others. Our procedures include:

Key Audit Matters	Audit Responses
Allowance for expected credit loss (continued) Starting from January 1, 2020, the Thai Financial Reporting Standard No. 9 - Financial Instruments ("TFRS 9") and related Bank of Thailand (the "BOT")'s regulation were applied. This standard requires the Bank and subsidiaries to recognize impairment loss based on expected credit loss. The ECL is measured based forward-looking information basis by calculating on a probability- weighted credit losses with respective risk of expected cash shortfalls either based on credit events arising in the 12 months from the reporting date or based on credit events arising over the lifetime of the financial instrument; depending on the significant increase in credit risk ("SICR") since initial recognition. The post model adjustment may also be recorded by the Bank and subsidiaries using credit expert assumptions and judgment where the inputs, assumptions and/or modelling techniques do not capture all relevant risk factors in respect to the current economic conditions and market circumstances. Accounting policy for the allowance for expected credit loss, detail of allowance for expected credit loss and related the BOT's regulation were disclosed in Notes 4.7, 7.9 and 7.39 to the financial statements, respectively.	We have assessed the design and implementation of the controls related to the process and policy for methodology, calculation and post model adjustment of the ECL and; we have assessed the control system in this process, including automated controls in the IT systems. In respect of the first-time adoption of TFRS 9, our procedures for assessing the appropriateness of the implementation of the new standard included, among other things, the following procedures: • Assessment of the consideration of the adjustments made to the opening balance on January 1, 2020. • Assessment of the completeness and appropriateness of disclosures, including those related to the first-time adoption of TFRS 9, as well as quantitative and qualitative requirements, in particular with respect to credit risk of loans to customers, loan commitments and financial guarantee contracts. We collectively and individually assessed loans to customers on those related to the first-time adoption of TFRS 9 and at the reporting date as follows: • For the collectively assessed loans to customers, we have performed, among the others, the following procedures: - With the involvement of our internal specialist, we have analyzed the applied methodology for estimating ECL, including the adequacy of risk parameters applied, post model adjustment and compliance with the requirements of TFRS 9 and the BOT's regulation. - Independent recalculation by our internal specialist on sample basis of the value of ECL for selected portfolios in the collective assessment method. • For the individually assessed loans to customers, we have performed, among the others, the following procedures: - We have assessed the appropriateness of the process for identifying indicators of impairment. - We assessed the appropriateness of estimation of allowances for a selected sample of exposures with identified evidence of impairment with respect to the appropriateness of the assumed collateral values and assumptions concerning other cash flows. • Our audit procedures included reconciliation of the data used in the ECL calculation to confirm the accuracy and completeness of the recognition of loans to customers, loan commitments and financial guarantee contracts that are the basis for

Key Audit Matters	Audit Responses
	the calculation of impairment losses and provision, as well as the value of these ECL and provisions for loan commitments and financial guarantee contracts. • In respect of post model adjustment, based on current economic conditions and market circumstances, our audit procedures included the evaluation of the design and implementation of internal control in this process. We assessed the completeness and appropriateness of the assumptions, input data and performed the calculation of the post model adjustment with support from our internal specialist. • For the IT systems and individual data processing systems used in the ECL calculation, we have assessed the relevant effectiveness of application controls and general IT controls with the involvement of our internal IT specialists.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the consolidated and Bank's financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and Bank's financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and Bank's financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Bank's Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and Bank's financial statements in accordance with TFRSs and Bank of Thailand's regulation, and for such internal control as management determines is necessary to enable the preparation of consolidated and Bank's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and Bank's financial statements, management is responsible for assessing the Bank and subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank and subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank and subsidiaries' financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Bank's Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and Bank's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs

will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and Bank's financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and Bank's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and subsidiaries' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the Bank's financial statements, including the disclosures, and whether the consolidated and Bank's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and Bank's financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Chavala Tienpasertkij
Certified Public Accountant (Thailand)
Registration No. 4301
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK
February 24, 2021

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

BAHT: '000

ASSETS	Notes	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
CASH		30,333,319	33,830,336	29,215,418	32,784,600
INTERBANK AND MONEY MARKET ITEMS, NET	*7.3*	523,384,552	331,431,378	516,193,943	325,689,873
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	*7.4*	786,336	-	736,462	-
CLAIM ON SECURITY		-	9,611,500	-	9,611,500
DERIVATIVES ASSETS	*7.5*	30,445,120	21,841,044	30,653,617	21,896,417
INVESTMENTS, NET	*7.6*	162,100,028	118,340,121	155,539,927	117,908,466
INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES, NET	*7.7*	14,365,116	11,952,177	61,432,683	59,956,092
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET	*7.8*	1,765,622,639	1,754,976,035	1,609,829,809	1,612,854,454
CUSTOMERS' LIABILITY UNDER ACCEPTANCE		-	299,089	-	299,089
PROPERTIES FOR SALE, NET	*7.10*	3,365,637	3,500,200	2,663,681	2,394,813
PREMISES AND EQUIPMENT, NET	*7.11*	31,196,615	29,029,494	28,659,612	27,075,050
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	*7.12*	17,031,374	16,902,975	3,993,017	4,199,366
DEFERRED TAX ASSETS	*7.13*	4,890,090	4,479,273	587,276	-
OTHER ASSETS, NET	*7.14*	25,852,963	23,397,974	21,225,920	20,055,709
TOTAL ASSETS		**2,609,373,789**	**2,359,591,596**	**2,460,731,365**	**2,234,725,429**

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2020

BAHT: '000

LIABILITIES AND EQUITY	Notes	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
DEPOSITS	*7.15*	1,834,505,186	1,566,884,776	1,819,222,893	1,558,780,159
INTERBANK AND MONEY MARKET ITEMS	*7.16*	243,569,647	252,121,143	224,973,577	252,076,777
LIABILITY PAYABLE ON DEMAND		5,607,230	3,802,060	5,606,355	3,801,985
LIABILITY TO DELIVER SECURITY		-	9,611,500	-	9,611,500
DERIVATIVES LIABILITIES	*7.5*	32,941,510	23,326,062	33,118,201	23,325,475
DEBT ISSUED AND BORROWINGS	*7.17*	146,118,868	175,667,180	125,951,206	139,003,569
BANK'S LIABILITY UNDER ACCEPTANCE		-	299,089	-	299,089
PROVISIONS	*7.18*	13,378,497	9,717,481	10,864,530	8,165,452
DEFERRED TAX LIABILITIES	*7.13*	686,388	1,823,357	-	803,296
OTHER LIABILITIES	*7.19*	43,387,499	44,223,303	26,825,390	27,148,687
TOTAL LIABILITIES		2,320,194,825	2,087,475,951	2,246,562,152	2,023,015,989
EQUITY					
SHARE CAPITAL	*7.23*				
Authorized share capital 7,574,143,747 ordinary shares of Baht 10 each		75,741,437	75,741,437	75,741,437	75,741,437
Issued and paid-up share capital 7,355,761,773 ordinary shares of Baht 10 each		73,557,618	73,557,618	73,557,618	73,557,618
PREMIUM ON ORDINARY SHARES		52,878,749	52,878,749	52,878,749	52,878,749
OTHER RESERVES		4,271,362	4,312,103	5,208,509	5,326,327
RETAINED EARNINGS					
Appropriated					
Legal reserve		7,279,800	6,870,800	7,279,800	6,870,800
Unappropriated		149,556,653	133,170,675	75,244,537	73,075,946
TOTAL BANK'S EQUITY		287,544,182	270,789,945	214,169,213	211,709,440
NON-CONTROLLING INTEREST		1,634,782	1,325,700	-	-
TOTAL EQUITY		289,178,964	272,115,645	214,169,213	211,709,440
TOTAL LIABILITIES AND EQUITY		**2,609,373,789**	**2,359,591,596**	**2,460,731,365**	**2,234,725,429**

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

Mr. Seiichiro Akita
President and Chief Executive Officer

Miss Duangdao Wongpanitkrit
Director

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

BAHT: '000

		CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	Notes	**2020**	**2019**	**2020**	**2019**
INTEREST INCOME	*7.31*	108,062,348	110,455,442	76,274,911	80,945,599
INTEREST EXPENSES	*7.32*	26,758,210	34,032,364	23,940,142	31,698,784
INTEREST INCOME, NET		81,304,138	76,423,078	52,334,769	49,246,815
FEES AND SERVICE INCOME		24,811,854	29,652,171	13,534,487	15,854,858
FEES AND SERVICE EXPENSES		7,247,669	7,875,668	5,110,675	5,902,397
FEES AND SERVICE INCOME, NET	*7.33*	17,564,185	21,776,503	8,423,812	9,952,461
GAINS ON FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	*7.34*	4,112,021	-	4,499,352	-
GAINS ON TRADING AND FOREIGN EXCHANGE TRANSACTIONS, NET	*7.34*	-	4,349,796	-	4,467,865
GAINS (LOSSES) ON INVESTMENTS, NET	*7.35*	108,747	9,232,109	(611,253)	5,115,997
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		1,523,281	1,409,261	-	-
DIVIDEND INCOME		272,950	210,418	971,689	5,382,141
BAD DEBTS RECOVERIES		6,752,472	6,483,470	2,231,482	1,787,065
OTHER OPERATING INCOME		2,349,127	1,723,350	2,002,330	1,343,837
TOTAL OPERATING INCOME		113,986,921	121,607,985	69,852,181	77,296,181
OTHER OPERATING EXPENSES					
Employee's expenses		25,296,702	27,648,472	18,163,665	19,667,798
Directors' remuneration		64,639	59,172	58,492	52,488
Premises and equipment expenses		7,549,879	7,922,336	6,162,431	6,306,892
Taxes and duties		2,534,958	2,871,176	1,694,937	1,949,059
Others		13,018,826	13,667,558	8,425,191	7,463,511
Total other operating expenses		48,465,004	52,168,714	34,504,716	35,439,748
EXPECTED CREDIT LOSS	*7.36*	36,643,685	-	25,352,193	-
IMPAIRMENT LOSS ON LOANS AND DEBT SECURITIES	*7.36*	-	28,202,962	-	18,625,240
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		28,878,232	41,236,309	9,995,272	23,231,193
INCOME TAX EXPENSES	*7.37*	5,537,981	8,104,797	1,835,054	3,645,617
NET PROFIT		**23,340,251**	**33,131,512**	**8,160,218**	**19,585,576**

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

BAHT: '000

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2020	2019	2020	2019
OTHER COMPREHENSIVE INCOME					
Items that will be reclassified subsequently to profit or loss:					
Gain on investments in debt instruments at fair value through other comprehensive income		303,190	-	303,190	-
Loss on cash flow hedges		(161,013)	-	(161,013)	-
Gain on remeasuring available-for-sale investments		-	9,462	-	9,462
Loss arising from translating the financial statements of foreign operation		(91,607)	(701,842)	-	-
Share of other comprehensive income of joint venture		(5,773)	-	-	-
Income tax relating to components of other comprehensive income	*7.38*	(8,250)	122,795	(28,436)	(1,892)
Items that will not be reclassified subsequently to profit or loss:					
Gain (Loss) on investments designated at fair value through other comprehensive income		86,586	-	(93,056)	-
Change in assets revaluation surplus		-	3,821,640	-	3,821,640
Actuarial loss on defined benefit plans		(560,724)	(1,031,120)	(575,904)	(772,010)
Share of other comprehensive income of joint venture		(1,434)	(9,412)	-	-
Income tax relating to components of other comprehensive income	*7.38*	94,292	(558,084)	133,792	(609,926)
Total other comprehensive income, net		(344,733)	1,653,439	(421,427)	2,447,274
TOTAL COMPREHENSIVE INCOME		**22,995,518**	**34,784,951**	**7,738,791**	**22,032,850**
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		23,039,785	32,748,508	8,160,218	19,585,576
Non-controlling interest		300,466	383,004	-	-
		23,340,251	33,131,512	8,160,218	19,585,576
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		22,686,391	34,405,408	7,738,791	22,032,850
Non-controlling interest		309,127	379,543	-	-
		22,995,518	34,784,951	7,738,791	22,032,850
EARNINGS PER SHARE OF OWNERS OF THE BANK					
BASIC EARNINGS PER SHARE	**BAHT**	3.13	4.45	1.11	2.66
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	**SHARES**	7,355,761,773	7,355,761,773	7,355,761,773	7,355,761,773

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

Mr. Seiichiro Akita
President and Chief Executive Officer

Miss Duangdao Wongpanitkrit
Director

STATEMENTS OF CHANGES IN EQUITY

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

BAHT: '000

CONSOLIDATED FINANCIAL STATEMENTS

	Notes	Owners of the Bank											Non-Controlling Interest	Total
		Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves						Retained Earnings		Total Bank's Equity		
				Asset Appraisal Surplus	Revaluation Surplus on Investments	Foreign Currency Translation	Cash Flow Hedging Reserve	Share of Other Comprehensive Income	Deficit from Business Combination under Common Control	Appropriated Legal Reserve	Unappropriated			
Balance as of January 1, 2019		73,557,618	52,878,749	7,895,654	(89,952)	(437,069)	-	-	(5,217,755)	5,890,800	108,159,015	242,637,060	1,081,227	243,718,287
Change in revaluation surplus		-	-	(326,502)	-	-	-	-	-	-	326,502	-	-	-
Dividend payment	7.23.2	-	-	-	-	-	-	-	-	-	(6,252,397)	(6,252,397)	(135,196)	(6,387,593)
Increase in legal reserve		-	-	-	-	-	-	-	-	980,000	(980,000)	-	-	-
Total comprehensive income		-	-	3,057,312	7,570	(577,155)	-	-	-	-	31,917,681	34,405,408	379,543	34,784,951
Change in shareholding in subsidiaries company		-	-	-	-	-	-	-	-	-	(126)	(126)	126	-
Balance as of December 31, 2019		**73,557,618**	**52,878,749**	**10,626,464**	**(82,382)**	**(1,014,224)**	**-**	**-**	**(5,217,755)**	**6,870,800**	**133,170,675**	**270,789,945**	**1,325,700**	**272,115,645**
Balance as of January 1, 2020 as previously reported		73,557,618	52,878,749	10,626,464	(82,382)	(1,014,224)	-	-	(5,217,755)	6,870,800	133,170,675	270,789,945	1,325,700	272,115,645
Effect of change in accounting policies	3	-	-	-	191,554	-	-	-	-	-	(2,291,679)	(2,100,125)	(45)	(2,100,170)
Balance as of January 1, 2020 as adjusted		73,557,618	52,878,749	10,626,464	109,172	(1,014,224)	-	-	(5,217,755)	6,870,800	130,878,996	268,689,820	1,325,655	270,015,475
Change in revaluation surplus		-	-	(328,646)	-	-	-	-	-	-	328,646	-	-	-
Fair value through other comprehensive income		-	-	-	-	-	-	-	-	-	(521,936)	(521,936)	-	(521,936)
Dividend payment	7.23.2	-	-	-	-	-	-	-	-	-	(3,310,093)	(3,310,093)	-	(3,310,093)
Increase in legal reserve		-	-	-	-	-	-	-	-	409,000	(409,000)	-	-	-
Total comprehensive income		-	-	-	302,356	(71,421)	(128,811)	(5,773)	-	-	22,590,040	22,686,391	309,127	22,995,518
Balance as of December 31, 2020		**73,557,618**	**52,878,749**	**10,297,818**	**411,528**	**(1,085,645)**	**(128,811)**	**(5,773)**	**(5,217,755)**	**7,279,800**	**149,556,653**	**287,544,182**	**1,634,782**	**289,178,964**

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

BAHT: '000

		THE BANK'S FINANCIAL STATEMENTS								
		Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves				Retained Earnings		Total
				Asset Appraisal Surplus	Revaluation Surplus on Investments	Cash Flow Hedging Reserve	Deficit from Business Combination under Common Control	Appropriated Legal Reserve	Unappropriated	
	Notes									
Balance as of January 1, 2019		73,557,618	52,878,749	7,895,654	(89,952)	-	(5,217,755)	5,890,800	61,013,873	195,928,987
Change in revaluation surplus		-	-	(326,502)	-	-	-	-	326,502	-
Dividend payment	*7.23.2*	-	-	-	-	-	-	-	(6,252,397)	(6,252,397)
Increase in legal reserve		-	-	-	-	-	-	980,000	(980,000)	-
Total comprehensive income		-	-	3,057,312	7, 570	-	-	-	18,967,968	22,032,850
Balance as of December 31, 2019		**73,557,618**	**52,878,749**	**10,626,464**	**(82,382)**	**-**	**(5,217,755)**	**6,870,800**	**73,075,946**	**211,709,440**
Balance as of January 1, 2020 as previously reported		73,557,618	52,878,749	10,626,464	(82,382)	-	(5,217,755)	6,870,800	73,075,946	211,709,440
Effect of change in accounting policies	*3*	-	-	-	171,531	-	-	-	(1,521,205)	(1,349,674)
Balance as of January 1, 2020 as adjusted		73,557,618	52,878,749	10,626,464	89,149	-	(5,217,755)	6,870,800	71,554,741	210,359,766
Change in revaluation surplus		-	-	(328,646)	-	-	-	-	328,646	-
Fair value through other comprehensive income		-	-	-	-	-	-	-	(619,251)	(619,251)
Dividend payment	*7.23.2*	-	-	-	-	-	-	-	(3,310,093)	(3,310,093)
Increase in legal reserve		-	-	-	-	-	-	409,000	(409,000)	-
Total comprehensive income		-	-	-	168,108	(128,811)	-	-	7,699,494	7,738,791
Balance as of December 31, 2020		**73,557,618**	**52,878,749**	**10,297,818**	**257,257**	**(128,811)**	**(5,217,755)**	**7,279,800**	**75,244,537**	**214,169,213**

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

Mr. Seiichiro Akita
President and Chief Executive Officer

Miss Duangdao Wongpanitkrit
Director

STATEMENTS OF CASH FLOWS

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Income from operating before income tax expenses	28,878,232	41,236,309	9,995,272	23,231,193
Adjustments to reconcile income to cash received (paid) from operating activities:				
Depreciation and amortization	5,048,950	4,008,244	4,303,883	3,088,799
Expected credit loss	36,643,685	-	25,352,193	-
Impairment loss on loans and debt securities	-	28,202,962	-	18,625,240
Interest expenses from finance lease	83,185	19,229	60,298	15,280
Gain on translation in foreign currencies	(1,861,624)	(7,886,392)	(1,861,624)	(7,886,392)
Unrealized (gain) loss from revaluation of derivatives	3,774,390	(407,031)	3,788,435	(462,536)
Share of profit from investment using equity method	(1,523,281)	(1,409,261)	-	-
(Gain) loss on investments	(108,747)	(9,232,109)	611,253	(5,115,997)
Increase (decrease) in discount on investments	453,500	(362,965)	453,500	(362,965)
Gain on sales of properties for sale	(1,030,962)	(608,101)	(909,730)	(531,779)
Loss on sales of premises and equipment	89,791	5,087	97,872	20,970
Loss on impairment of properties for sale	303,455	207,063	206,747	179,286
Loss on impairment of premises and equipment (reversal)	-	(16,579)	-	(44,813)
Loss on impairment of other assets (reversal)	(50,041)	(268,358)	(57,038)	93,417
Increase in other reserves	1,056,673	1,933,937	313,621	511,427
Interest income, net	(81,304,138)	(76,423,078)	(52,334,769)	(49,246,815)
Interest received	103,431,303	110,348,970	71,908,325	81,027,221
Interest paid	(29,843,542)	(32,564,054)	(27,114,380)	(30,175,882)
Dividend income	(272,950)	(210,418)	(971,689)	(5,382,141)
Dividends received	272,973	210,419	271,496	207,503
Increase (decrease) in other accrued expenses	(2,236,620)	62,814	(1,572,956)	1,003,044
Income tax paid	(6,373,368)	(7,092,662)	(3,057,028)	(3,595,096)
Income from operations before changes in operating assets and liabilities	55,430,864	49,754,026	29,483,681	25,198,964
(Increase) decrease in operating assets				
Interbank and money market items	(186,202,686)	(90,106,276)	(185,960,621)	(91,097,781)
Financial assets measured at fair value through profit or loss	1,884,771	-	1,931,673	-
Current investments - securities for trading	-	(469,204)	-	(468,670)
Loans to customers	(66,474,423)	(169,144,808)	(39,325,799)	(144,541,881)
Properties for sale	22,672,548	17,265,071	20,462,123	15,042,778
Other assets	(447,835)	(1,940,387)	699,817	(2,223,800)

STATEMENTS OF CASH FLOWS (CONTINUED)

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Increase (decrease) in operating liabilities				
Deposits	265,723,732	146,438,864	258,546,056	143,954,239
Interbank and money market items	(13,079,004)	20,671,955	(30,772,532)	18,470,848
Liability payable on demand	1,860,435	(2,057,335)	1,859,635	(2,057,316)
Other liabilities	2,253,707	(7,709,459)	2,571,207	(6,254,925)
Net cash from operating activities	83,622,109	(37,297,553)	59,495,240	(43,977,544)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of investments in securities	115,464,655	80,975,763	115,412,115	80,964,068
Cash paid for purchases of investments in securities	(162,224,477)	(62,414,530)	(156,538,876)	(62,288,029)
Cash received from sales of investment in subsidiaries	-	8,027,466	-	8,027,466
Cash paid for investment in subsidiaries and joint venture	(983,991)	(855,001)	(2,196,591)	(2,755,001)
Dividend received from subsidiaries and joint venture	-	950,100	700,215	5,174,639
Proceeds from sales of premises and equipment	297,847	118,238	125,249	1,970
Cash paid for purchases of premises and equipment	(2,601,111)	(1,493,277)	(1,346,296)	(1,001,362)
Cash paid for purchases of other assets	(1,898,796)	(1,709,516)	(1,615,383)	(1,390,154)
Net cash from investing activities	(51,945,873)	23,599,243	(45,459,567)	26,733,597
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from debts issued and borrowings	12,220,988	67,247,978	7,184,384	48,153,749
Cash paid for repayment of debts issued and borrowings	(40,952,958)	(47,221,668)	(20,282,285)	(25,137,729)
Cash paid for repayment of liabilities under finance lease agreements	(1,632,282)	(188,945)	(1,278,945)	(150,698)
Dividend payment	(3,310,093)	(6,387,593)	(3,310,093)	(6,252,397)
Net cash from financing activities	(33,674,345)	13,449,772	(17,686,939)	16,612,925
Total	(1,998,109)	(248,538)	(3,651,266)	(631,022)
Effect arising from translating the financial statements of foreign operations	(41,622)	(499,656)	-	-
Effect of exchange rate change on cash	82,084	(51,896)	82,084	(51,896)
Net decrease in cash and cash equivalents	(1,957,647)	(800,090)	(3,569,182)	(682,918)
Cash and cash equivalents as at January 1,	39,570,369	40,370,459	32,784,600	33,467,518
Cash and cash equivalents as at December 31,	37,612,722	39,570,369	29,215,418	32,784,600

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

Mr. Seiichiro Akita
President and Chief Executive Officer

Miss Duangdao Wongpanitkrit
Director

NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. GENERAL INFORMATION

Bank of Ayudhya Public Company Limited ("the Bank") is a public company registered in the Kingdom of Thailand with its head office located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The Bank's main business is commercial banking and the Bank conducts its business through a network of branches throughout Thailand and other countries. The immediate and ultimate parent company of the Bank are MUFG Bank, Ltd. and Mitsubishi UFJ Financial Group, Inc., respectively, both companies are registered in Japan. As at December 31, 2020 and 2019, the Bank has 23 subsidiaries and joint ventures and 21 subsidiaries and joint ventures, respectively as follows:

1.1 Ayudhya Development Leasing Company Limited was incorporated in Thailand on July 25, 1991, and is located at 550, Krungsri Ploenchit Tower, 14th Floor, Ploenchit Road, Lumphini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business includes leasing and hire-purchase.

1.2 Ayudhya Capital Auto Lease Public Company Limited was incorporated in Thailand on November 27, 1995, and is located at 550, Krungsri Ploenchit Tower, 16th Floor, Ploenchit Road, Lumphini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is auto hire-purchase, leasing service and refinancing to individual and corporate customers.

1.3 Ayudhya Capital Services Company Limited was incorporated in Thailand on November 9, 1994, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumphini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit cards and personal loans.

1.4 General Card Services Limited was incorporated in Thailand on January 24, 1995, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumphini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit cards and personal loans.

1.5 Krungsriayudhya Card Company Limited was incorporated in Thailand on August 29, 1996, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumphini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit cards and personal loans.

1.6 Siam Realty and Services Security Company Limited was incorporated in Thailand on June 20, 1988, and is located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is car rental services and personnel services.

1.7 Total Services Solutions Public Company Limited was incorporated as a public company limited in Thailand on May 19, 1997, and is located at 2/3 Moo 14, Bangna Towers B, Bang Na-Trat Km 6.5 Road, Bang Kaeo Subdistrict, Bang Phli District, Samutprakan. The subsidiary's main business is collection services.

1.8 Krungsri Asset Management Company Limited was incorporated in Thailand on December 19, 1996, and is located at 898, Ploenchit Tower Building, 1st-2nd Floor zone A, 12th and 18th Floor zone B, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is mutual funds and private fund management.

1.9 Krungsri Ayudhya AMC Limited was incorporated in Thailand on August 18, 2000, and is located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is to develop, manage and sell assets transferred from financial institutions.

1.10 Krungsri Securities Public Company Limited was incorporated in Thailand on April 16, 2004, and is located at 898, Ploenchit Tower, 3rd Floor, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is a securities business.

1.11 Krungsri Nimble Company Limited was incorporated in Thailand on February 1, 2007, and is located at 1222, Bank of Ayudhya Public Company Limited, 21st Floor, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok.The subsidiary's main business is factoring and information technology services.

1.12 Krungsri Life Assurance Broker Limited which is 99.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumphini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is as a life insurance broker.

1.13 Krungsri General Insurance Broker Limited which is 99.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumphini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is as a general insurance broker.

1.14 Krungsri Finnovate Company Limited was incorporated in Thailand on March 27, 2017, and is located at 1222, 21st Floor, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is venture capital.

1.15 Krungsri Leasing Services Company Limited, which is owned by Ayudhya Capital Auto Lease Public Company Limited of 75% and Ayudhya Capital Services Company Limited of 25%, the Bank's subsidiaries, was incorporated in Laos People's Democratic Republic (Lao PDR) on February 18, 2014, and is located at 355, Unit 12, Kamphengmeung Road, Phonethan Village, Saysetthta District, Vientiane Capital, Lao PDR. The subsidiary's main business is hire-purchase, leasing and sales finance.

1.16 Krungsri Non-Deposit Taking Microfinance Institution Co.,Ltd., which is owned by Krungsri Leasing Services Company Limited of 99.99%, the Bank's subsidiary, was incorporated in Laos People's Democratic Republic (Lao PDR) on February 7, 2020, and is located at 197, Unit 12, Kamphengmeung Road, Phonethan Village, Saysetthta District, Vientiane Capital, Lao PDR. The subsidiary's main business is non-deposit taking microfinance.

1.17 Hattha Bank Plc. (formerly Hattha Kaksekar Limited), was incorporated in Cambodia in November 1996, and is located at 606, Street 271, Sansam Kosal 3 Village, Sangkat Boeng Tumpun 1, Khan Mean Chey, Phnom Penh, the Kingdom of Cambodia. The subsidiary has already obtained the approval from relevant regulators both in Thailand and Cambodia to expand its business to be a commercial bank and it had changed its operation to be banking business since August 26, 2020.

1.18 Hattha Services Company Limited which is 99.99% owned by Hattha Bank Plc. (formerly Hattha Kaksekar Limited), the Bank's subsidiary, was incorporated in Cambodia in October 8, 2019, and is located at 606, Street 271, Sansam Kosal 3 Village, Sangkat Boeng Tumpun 1, Khan Mean Chey, Phnom Penh, the Kingdom of Cambodia. The subsidiary's main business is lease real estate.

1.19 Ngern Tid Lor Public Company Limited ("NTL") (formerly Ngern Tid Lor Company Limited), was incorporated in Thailand on October 24, 2006, and is located at 428 Ari Hills Building 9th-15th Floor, Phahonyothin Road, Samsen Nai Subdistrict, Phaya Thai District, Bangkok. The joint venture main business is hire-purchase loan and secured personal loan for vehicles and motorcycles.

On February 28, 2019, the Bank sold 50% of investment in NTL, reducing its ownership interest to 50%. As a result, investment in NTL is classified as investment in joint ventures.

On December 24, 2020, NTL has submitted an application for approval of the offering of newly-issued ordinary shares, registration statement and draft prospectus for offering of securities to the Office of the Securities and Exchange Commission, as well as an application for approval of listing of ordinary shares on the Stock Exchange of Thailand with the Stock Exchange of Thailand.

1.20 Tesco Lotus Money Services Limited which is 49.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumphini Subdistrict, Pathumwan District, Bangkok. The joint venture's main business is credit cards and personal loans.

1.21 Tesco Life Assurance Broker Limited which is 99.99% owned by Tesco Lotus Money Services Limited, the Bank's joint venture, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumphini Subdistrict, Pathumwan District, Bangkok. The joint venture's main business is as a life insurance broker.

1.22 Tesco General Insurance Broker Limited which is 99.99% owned by Tesco Lotus Money Services Limited, the Bank's joint venture, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumphini Subdistrict, Pathumwan District, Bangkok. The joint venture's main business is as a general insurance broker.

1.23 SB Finance Company, Inc. was incorporated in Philippines in 1960, and is located at Ground Floor Keyland Building, 849 Arnaiz Avenue, San Lorenzo, Makati City, Philippines. The joint venture's main business is personal loans.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

2.1 The consolidated and the Bank's financial statements have been prepared in accordance with Thai Financial Reporting Standards issued by Federation of Accounting Professions, the regulation of the Thai Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET") and the Bank of Thailand ("BOT")'s requirement, where the form of financial statements is based on Thai Accounting Standard No. 1 "Presentation of Financial Statements", including the Procedures, Policies and Presentation in accordance with BOT Notification Sor.Nor.Sor. 21/2561 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies that is the Parent Company of a Financial Group dated October 31, 2018.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The financial statements are presented in Thai Baht, which is the Bank's functional currency. All financial information presented in Thai Baht has been rounded in the financial statements to the nearest thousand and in the notes to financial statements to the nearest million unless otherwise stated.

The Bank prepares its financial statements in the Thai language in conformity with Thai Financial Reporting Standards ("TFRSs") and the Notifications noted above. However, for convenience of readers, the Bank also prepares its financial statements in English language, by translating from the Thai version.

Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective in 2020

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

1) Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

2) Definition of Business

The revised Thai Financial Reporting Standard No.3 "Business Combinations" clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

3) Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No.1 "Presentation of Financial Statements" and Thai Accounting Standards No.8 "Accounting Policies, Changes in Accounting Estimates and Errors", including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

4) The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No.9 "Financial Instruments" and Thai Financial Reporting Standard No.7 "Financial Instruments: Disclosures".

The management of the Bank and its subsidiaries will adopt such TFRSs in the preparation of the Bank and its subsidiaries' financial statements when it becomes effective. The management of the Bank and its subsidiaries is in the process to assess the impact of these TFRSs on the financial statements of the Bank and its subsidiaries in the period of initial application.

2.2 The consolidated financial statements included the accounts of the head office and all branches of the Bank and its subsidiaries. These subsidiaries are as follows:

	Business Type	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Bank (%)	
			As at December 31,	
			2020	2019
Subsidiaries				
Ayudhya Development Leasing Company Limited	Hire-purchase and leasing	Thailand	99.99	99.99
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Thailand	100.00	100.00
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
General Card Services Limited	Credit cards and personal loans	Thailand	100.00	100.00
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Thailand	100.00	100.00
Total Services Solutions Public Company Limited	Collection services	Thailand	100.00	100.00
Krungsri Asset Management Company Limited	Fund management	Thailand	76.59	76.59
Krungsri Ayudhya AMC Limited	Asset management	Thailand	100.00	100.00
Krungsri Securities Public Company Limited	Securities	Thailand	99.84	99.84
Krungsri Nimble Company Limited	Factoring and information technology services	Thailand	100.00	100.00

	Business Type	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Bank (%)	
			As at December 31,	
			2020	2019
Subsidiaries (Continued)				
Krungsri Life Assurance Broker Limited [1]	Life assurance broker	Thailand	100.00	100.00
Krungsri General Insurance Broker Limited [1]	General insurance broker	Thailand	100.00	100.00
Krungsri Finnovate Company Limited	Venture capital	Thailand	100.00	100.00
Krungsri Leasing Services Company Limited [2]	Hire-purchase, leasing and sales finance	Lao PDR	100.00	100.00
Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd [3]	Micro finance	Lao PDR	99.99	-
Hattha Bank Plc. (formerly Hattha Kaksekar Limited)	Commercial bank (formerly Micro finance)	Cambodia	100.00	100.00
Hattha Services Company Limited [4]	Lease real estate	Cambodia	100.00	100.00

[1] Indirectly holding via Ayudhya Capital Services Company Limited of 100%.
[2] Indirectly holding via Ayudhya Capital Auto Lease Public Company Limited of 75% and Ayudhya Capital Services Company Limited of 25%.
[3] Indirectly holding via Krungsri Leasing Services Company Limited of 99.99% which invested on April 20, 2020.
[4] On November 1, 2019, the Bank held indirectly ordinary shares of Hattha Services Company Limited via Hattha Bank Plc. (formerly Hattha Kaksekar Limited) of 49%. However, the Bank has the power to participate in management and control over Hattha Services Company Limited. Accordingly, the voting power held by the Bank is 100%.

All material intercompany transactions and balances have been eliminated.

3. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

In 2020, the Bank and its subsidiaries have adopted the new and revised financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. The adoption of these financial reporting standards does not have any significant impact on the Bank and its subsidiaries financial statements, except the following financial reporting standards.

Financial reporting standards on group of financial instruments standards as follows:

Thai Accounting Standards ("TAS")

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

Group of Financial Instruments Standards introduce new requirements for:

1) The classification and measurement of financial assets and financial liabilities,
2) Impairment of financial assets, and
3) General hedge accounting.

Details of these new requirements as well as their impact on the consolidated and the Bank's financial statements are described below.

1) **Classification and measurement of financial instruments:**

TFRS 9 requires financial assets to be classified into three measurement categories: amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The classification depends on the Bank and its subsidiaries' business model for managing its financial assets and the contractual cash flow characteristics of the assets.

Financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, TFRS 9 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss.

Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.

2) **Impairment:**

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires the Bank and its subsidiaries to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, TFRS 9 requires the Bank and its subsidiaries to recognise allowance for expected credit losses on:

(1) Interbank and money market item
(2) Debt investments measured subsequently at amortised cost or at FVOCI
(3) Loans to customers
(4) Loan commitments and financial guarantee contracts to which the impairment requirements of TFRS 9 apply
(5) Trade receivables and contract assets

In particular, TFRS 9 requires the Bank and its subsidiaries to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Bank and its subsidiaries are required to measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The change in accounting of the Group of Financial Instruments Standards has been applied in accordance with the relevant transitional provisions set out in TFRS 9 in which the Bank and its subsidiaries have not applied retrospectively. Comparative periods have not been restated in accordance with the relevant transitional provisions set out in TFRSs.

Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption will be recognized in retained earnings and other reserves as at January 1, 2020.

The impact of adopting group of financial instruments financial reporting standards on the consolidated and the Bank's financial position are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	Previous measurement	Carrying amounts December 31, 2019 As previously reported	Reclassifi -cation	Remeasurement			Carrying amounts January 1, 2020	Classification and measurement January 1, 2020
				ECL	Fair valuation	Others		
ASSETS								
Cash	Cost	33,830	-	-	-	-	33,830	Amortised Cost
Interbank and money market items, net	Cost less impairment	331,431	-	114	-	-	331,545	Amortised Cost
Claim on security	-	9,612	-	-	-	(9,612)	-	-
Derivatives assets	FVTPL and accrual basis	21,841	-	-	29	-	21,870	FVTPL, accrual basis and hedging
Financial assets measured at fair value through profit or loss	-	-	2,843	-	(172)	-	2,671	FVTPL
Investments, net	Trading, AFS, HTM and GI	118,340	(3,042)	-	395	-	115,693	Amortised Cost and FVOCI
Investments in subsidiaries and joint ventures, net	-	11,952	-	-	-	(55)	11,897	-
Loans to customers and accrued interest receivables, net	Cost less impairment	1,754,976	(524)	(246)	(2,527)	-	1,751,679	Amortised Cost
Customers liabilities under acceptance	-	299	-	-	-	(299)	-	-
Deferred tax assets	-	4,479	-	-	-	200	4,679	-
Other assets, net	Cost less impairment	23,398	(1)	-	2,527	(1)	25,923	Amortised Cost
LIABILITIES								
Deposits	Cost	1,566,885	-	-	-	-	1,566,885	Amortised Cost
Interbank and money market items	Cost	252,121	-	-	-	-	252,121	Amortised Cost
Liability payable on demand	Cost	3,802	-	-	-	-	3,802	Amortised Cost
Liability to deliver security	-	9,612	-	-	-	(9,612)	-	-
Derivatives liabilities	FVTPL and accrual basis	23,326	-	-	28	-	23,354	FVTPL, accrual basis and hedging
Debt issued and borrowings	Cost	175,667	-	-	-	-	175,667	Amortised Cost
Bank's liability under acceptance	-	299	-	-	-	(299)	-	-
Provisions	-	9,717	-	2,670	-	-	12,387	-
Deferred tax liabilities	-	1,823	-	-	-	(330)	1,493	-
Other liabilities	Cost	44,223	(724)	-	-	(3)	43,496	Amortised Cost
EQUITY								
Other reserves	-	4,312	-	15	224	(48)	4,503	-
Unappropriated retained earnings	-	133,171	-	(2,817)	-	525	130,879	-

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS							
	Previous measurement	Carrying amounts December 31, 2019 As previously reported	Reclassifi -cation	Remeasurement			Carrying amounts January 1, 2020	Classification and measurement January 1, 2020
				ECL	Fair valuation	Others		
ASSETS								
Cash	Cost	32,785	-	-	-	-	32,785	Amortised Cost
Interbank and money market items, net	Cost less impairment	325,690	-	111	-	-	325,801	Amortised Cost
Claim on security	-	9,612	-	-	-	(9,612)	-	-
Derivatives assets	FVTPL and accrual basis	21,896	-	-	29	-	21,925	FVTPL, accrual basis and hedging
Financial assets measured at fair value through profit or loss	-	-	2,840	-	(172)	-	2,668	FVTPL
Investments, net	Trading, AFS, HTM and GI	117,908	(3,039)	-	370	-	115,239	Amortised Cost and FVOCI
Loans to customers and accrued interest receivables, net	Cost less impairment	1,612,854	200	(142)	(2,305)	-	1,610,607	Amortised Cost
Customers liabilities under acceptance	-	299	-	-	-	(299)	-	-
Other assets, net	Cost less impairment	20,056	(1)	-	2,305	-	22,360	Amortised Cost
LIABILITIES								
Deposits	Cost	1,558,780	-	-	-	-	1,558,780	Amortised Cost
Interbank and money market items	Cost	252,077	-	-	-	-	252,077	Amortised Cost
Liability payable on demand	Cost	3,802	-	-	-	-	3,802	Amortised Cost
Liability to deliver security	-	9,612	-	-	-	(9,612)	-	-
Derivatives liabilities	FVTPL and accrual basis	23,325	-	-	38	-	23,363	FVTPL, accrual basis and hedging
Debt issued and borrowings	Cost	139,004	-	-	-	-	139,004	Amortised Cost
Bank's liability under acceptance	-	299	-	-	-	(299)	-	-
Provisions	-	8,165	-	1,845	-	-	10,010	-
Deferred tax liabilities	-	803	-	-	-	(336)	467	-
Other liabilities	Cost	27,149	-	-	-	(2)	27,147	Amortised Cost
EQUITY								
Other reserves	-	5,326	-	15	199	(42)	5,498	-
Unappropriated retained earnings	-	73,076	-	(1,891)	(10)	380	71,555	-

The following table reconciles the aggregate opening allowance for doubtful accounts of financial instruments, and provision for financial guarantee contracts as of December 31, 2019 to allowance for expected credit loss as of January 1, 2020 in accordance with TFRS 9.

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		
	Allowance for doubtful accounts amounts December 31, 2019	Remeasurement	Allowance for ECL amounts January 1, 2020
Allowance for			
Interbank and money market items	334	(114)	220
Investments	2	(2)	-
Debt instruments measured at amortised cost	-	2	2
Debt instruments measured at FVOCI	-	15	15
Loans to customers and accrued interest receivables	67,384	(67,384)	-
Loans to customers measured at amortised cost	-	67,630	67,630
Provision for loan commitments and financial guarantee contracts	545	2,670	3,215

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS		
	Allowance for doubtful accounts amounts December 31, 2019	Remeasurement	Allowance for ECL amounts January 1, 2020
Allowance for			
Interbank and money market items	331	(111)	220
Investments	2	(2)	-
Debt instruments measured at amortised cost	-	2	2
Debt instruments measured at FVOCI	-	15	15
Loans to customers and accrued interest receivables	51,398	(51,398)	-
Loans to customers measured at amortised cost	-	51,540	51,540
Provision for loan commitments and financial guarantee contracts	545	1,845	2,390

Thai Financial Reporting Standard No. 16 "Leases"

This TFRS provides a comprehensive model for the identification if lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS superseded the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 "Leases", Thai Accounting Standard Interpretation No.15 "Operating Lease - Incentives", Thai Accounting Standard Interpretation No.27 "Evaluating the Substance of Transactions involving the Legal Form of a Lease" and Thai Financial Reporting Standard Interpretation No.4 "Determining whether on Arrangement contains a Lease".

Under TFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

TFRS 16 introduces a single accounting model for a lessee and eliminates the classification of leases. TFRS 16 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

At the commencement date of a lease, a lessee requires to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases. Subsequently, the "right-of-use" asset is depreciated in accordance with principle in TAS 16: Property, Plant and Equipment and the lease liability is accreted over time with interest expense recognised in profit or loss.

For lessors, TFRS 16 retains most of the requirements in TAS 17. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Bank and its subsidiaries applied TFRS 16 that is effective for annual periods that begin on or after January 1, 2020. The Bank and its subsidiaries have applied TFRS 16 using the cumulative catch-up approach.

The amount of adjustment for each financial statement line item only affected by the application TFRS 16 is as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		
	Balance as at December 31, 2019	Effect from adoption TFRS 16	Balance as at January 1, 2020
Premises and equipment, net	697	2,370	3,067
Other assets, net	-	(6)	(6)
Other liabilities	738	2,364	3,102

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS		
	Balance as at December 31, 2019	Effect from adoption TFRS 16	Balance as at January 1, 2020
Premises and equipment, net	559	2,707	3,266
Other liabilities	590	2,707	3,297

The Federation of Accounting Professions has announced 2 Accounting Treatment Guidances, which have been announced in the Royal Gazette on April 22, 2020, with the following details:

1) Accounting Treatment Guidance "The temporary relief measures for entities supporting their debtors who are effected from the situations that affected Thailand's economy"

   This Accounting Treatment Guidance is intended to be temporary that provides assistance to debtors who are effected by the situations that affected the Thailand's economy by providing assistance to the debtor during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance with such changes.

   The Bank and subsidiaries have adopted such Accounting Treatment Guidance in the preparation of the financial statements for the year ended December 31, 2020.

   In this regard, the application of Accounting Treatment Guidance is disclosed in the note 7.39 The relief measures to alleviate the impact of COVID-19 outbreak on households and businesses announced by Bank of Thailand (BOT).

2) Accounting Treatment Guidance "The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak"

   This Accounting Treatment Guidance provides an alternative for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Due to the preparation of financial statements during the period of high uncertainty at the end of the during COVID-19 situation, may result in the management of the Bank using the critical judgment in the estimation or the measurement and recognition of accounting transactions. The objective of this Accounting Treatment Guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

The Bank can apply this Accounting Treatment Guidance for the preparation of financial statements with the reporting period from January 1, 2020 to December 31, 2020.

The Bank and subsidiaries have not adopted such Accounting Treatment Guidance in the preparation of the financial statements for the year ended December 31, 2020.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

In the Bank's statement of cash flows, cash and cash equivalents consist of cash on hand and cash on collection of the Bank, in accordance with the BOT's Notification Sor.Nor.Sor. 21/2561 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated October 31, 2018.

In the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents of the Bank and cash on hand, deposits at banks, except for fixed deposits whose terms are greater than 3 months and deposits at banks used as collaterals, and investments of subsidiaries with maturities of 3 months or less.

4.2 Financial Assets

Classification and measurement

All financial assets are recognised under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction fees and costs, except for those financial assets classified as at fair value through profit or loss. Transaction fees and costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss. The financial assets are required to be subsequently measured at amortised cost or fair value on the basis of the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For the purpose of solely payments of principal and interest ("SPPI") test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Bank and its subsidiaries determine the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The classification and measurement requirements for financial assets which include debt and equity instruments are described below:

1. Debt instruments

1.1 Debt instruments at amortised cost

Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are SPPI, are subsequently measured at amortised cost.

Such debt instruments include debt securities and loans to customers are presented as "Investments, net", and "Loans to customers and accrued interest receivables, net" in the statement of financial position, respectively.

Subsequent to initial recognition, these debt instruments are measured at amortised cost using the effective interest method. Gains and/or losses are recognised in profit or loss upon derecognition, reclassification or impairment, and through the amortisation process.

Interest income calculated using the effective interest method is recognised in profit or loss. A modification gain or loss is recognised in profit or loss when the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset.

1.2 Debt instruments at FVOCI

Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at FVOCI.

Subsequent to initial recognition, debt instruments at FVOCI are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, interest income and foreign exchange gains or losses are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income is calculated using the effective interest method. Except investments in unit trust of fixed income which are recorded as investment designated at fair value through other comprehensive income, the cumulative gain or loss previously recognised in other comprehensive income is not be reclassified subsequently to profit or loss according to BOT's notification Sor.Nor.Sor. 6/2563 regarding the investment in unit trust of fixed income fund for enhance the liquidity of the money market dated March 25, 2020.

1.3 Debt instruments at FVTPL

Debt instruments measured at FVTPL are financial assets that do not meet the criteria for amortised cost or FVOCI which are presented as Financial assets measured at FVTPL in the statement of financial position.

After initial recognition, debt instruments at FVTPL are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in profits or loss.

2. Equity instruments

Equity instruments are subsequently measured at fair value through profit or loss which are presented as Financial assets measured at FVTPL in the statement of financial position.

Except where the Bank and its subsidiaries have elected, at initial recognition, to irrevocably designate an equity instrument at FVOCI which is presented as "Investments, net" in the statement of financial position. When the election to FVOCI is made, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred to retained earnings.

Dividend income whilst holding the equity instruments is presented as dividend income in profit or loss.

Reclassifications

If the business model under which the Bank and its subsidiaries hold financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the financial assets. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

The Bank and its subsidiaries renegotiate loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Modification without derecognition means the non-substantial modification arising from renegotiation or modification of the contractual cash flows of financial assets that has not resulted in derecognition (Modified financial assets). In this case, a modification gain or loss which is the difference between the existing gross carrying amount and the present value of the renegotiated or modified contractual cash flows discounted by the original effective interest rate ("OEIR") or the credit-adjusted effective interest rate for purchased or originated credit-impaired ("POCI") financial assets shall be recognised in profit or loss. Any costs of fees incurred as part of the modification shall be adjusted to the carrying amount of the modified financial assets and amortised over the remaining term of the modified financial asset.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Bank and its subsidiaries have a legal right to offset the amounts and intend to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 Derivatives

Since January 1, 2020, The Bank and its subsidiaries enter into a variety of derivative financial instruments some of which are held for trading while others are held to manage its exposure to interest rate risk; credit risk; and foreign exchange rate risk.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain/loss is recognised in profit or loss immediately unless the derivative is designated as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Bank and its subsidiaries designate certain derivatives as either hedges of the fair value, cash flow, or hedges of net investments in foreign operations.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

For derivatives embedded in financial asset host contracts, the entire hybrid contract, including all embedded features, are classified in accordance with the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For derivatives embedded in financial liabilities and non-financial host contracts, embedded derivatives will be separated from the host contract and accounted for as derivatives when the following conditions are met:

1. the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract
2. a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and
3. the hybrid instrument is not measured at fair value with changes in fair value recognised in profit and loss

If embedded derivatives are separated, the host contract will be accounted for according to the appropriate standard. The embedded derivative will be recognised at fair value on the statement of financial position with changes to fair value being recognised in profit and loss.

If embedded derivatives are required to be separated but the fair value of the embedded derivative cannot be determined either at acquisition or at a subsequent financial reporting date, the entire hybrid contract will have to be recognised at fair value through profit and loss.

Prior to January 1, 2020, the Bank and its subsidiaries have recognized derivatives transactions as follows:

1) Derivatives for trading are recorded at fair value and profit or loss from the price appraisal as income or expense in the statements of profit or loss and other comprehensive income.
2) Derivatives for hedging are recorded a profit or loss from the price appraisal as income or expense based on the accrual basis in line with the underlying transactions.

4.4 Hedge accounting

General hedge

The Bank and its subsidiaries designate certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as appropriate.

At the inception of the hedge relationship, the Bank and its subsidiaries document the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Bank and its subsidiaries document whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Bank and its subsidiaries actually hedge and the quantity of the hedging instrument that the Bank and its subsidiaries actually use to hedge that quantity of hedged item.

Fair value hedges

The fair value change on qualifying hedging instruments is recognised in profit or loss except when the hedging instrument hedges an equity instrument designated at FVOCI in which case it is recognised in OCI.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at FVOCI, the carrying amount is not adjusted as it is already at fair value, but the part of the fair value gain or loss on the hedged item associated with the hedged risk is recognised in profit or loss instead of OCI. When the hedged item is an equity instrument designated at FVOCI, the hedging gain/loss remains in OCI to match that of the hedging instrument.

Where hedging gains/losses are recognised in profit or loss, they are recognised in the same line as the hedged item.

The Bank and its subsidiaries discontinue hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of hedged items for which the effective interest method is used (i.e. debt instruments measured at amortised cost or at FVOCI) arising from the hedged risk is amortised to profit or loss commencing no later than the date when hedge accounting is discontinued.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in the cash flow hedging reserve, a separate component of OCI, limited to the cumulative change in fair value of the hedged item from inception of the hedge less any amounts recycled to profit or loss.

Amounts previously recognised in OCI and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. If the Bank and its subsidiaries no longer expect the transaction to occur that amount is immediately reclassified to profit or loss.

The discontinuation is accounted for prospectively. Any gain/loss recognised in OCI and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain/loss accumulated in equity is reclassified and recognised immediately in profit or loss.

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain/loss on the hedging instrument relating to the effective portion of the hedge is recognised in OCI and accumulated in the foreign currency translation reserve.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified from equity to profit or loss in the same way as exchange differences relating to the foreign operation as described above.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss.

Dynamic risk management

The Bank and its subsidiaries enter into dynamic risk management which has the characteristics (a) risk management is undertaken for open portfolio(s), to which new exposures are frequently added and existing exposures mature; and (b) as the risk profile of the open portfolio(s) changes, risk management is updated on a timely basis in reaction to the changed net risk position. The derivatives under dynamic risk management are recognised on an accrual basis.

4.5 Investments

Since January 1, 2020, investments consist of:

1) Debt instruments at amortised cost
2) Debt instruments at fair value through other comprehensive income
3) Equity instruments designated at fair value through other comprehensive income

Investments in debt instruments and equity instruments have been initially recognized on the settlement date and trade date, respectively.

Prior to January 1, 2020, the Bank and its subsidiaries' investments which consist of debt securities and equity securities are classified as trading securities, available-for-sale securities, held-to-maturity securities or general investments.

In addition, the Bank complies with the BOT's Notification Sor.Nor.Sor. 21/2561 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies that is the Parent Company of Financial Group dated October 31, 2018, requiring the bank to present the investments as investments, net and investments in subsidiaries, associates and joint ventures, net.

Investments are initially recognized on the trade date. Since November 18, 2019, investments in debt securities have been initially recognized on the settlement date.

Trading securities represent securities acquired with the intention to hold short-term to benefit from the anticipated changes in market value. Trading securities are carried at fair value. Realized gains or losses from the sales of trading securities and unrealized gains or losses on the changes in fair value are recognized as gains (losses) on trading and foreign exchange transactions in the statements of profit or loss and other comprehensive income. Interest earned and dividends received from trading securities are recognized using the accrual basis of accounting as interest income and dividend income, respectively.

Debt securities which the Bank and subsidiaries have the intention and ability to hold until maturity are classified as held-to-maturity and carried at the amortized cost, net of valuation allowances for impairment, if any. Valuation allowances are established to recognize an unrealized loss in the statements of profit or loss and other comprehensive income when impairment is determined by management.

Debt and equity securities with readily determinable market values that are not classified as either trading securities or held-to-maturity securities are classified as available-for-sale securities and carried at fair value. The unrealized gains or losses related to available-for-sale securities are reported as other comprehensive income in equity until realized upon the disposition or a permanent decline in value occurs on such securities. Gain or loss on disposal or loss on impairment is recognized in the statements of profit or loss and other comprehensive income.

Non-marketable equity securities and marketable equity securities acquired from troubled debt restructuring are classified as general investments and carried at cost, net of valuation allowances for impairment, if any. Valuation allowances are established to recognize an unrealized loss in the statements of profit or loss and other comprehensive income when impairment is determined by management.

Premiums and discounts are amortized and accreted into income as adjustments to interest income using the effective interest rate method.

In the consolidated financial statements, investments in associates and joint ventures are accounted for by the equity method. In the Bank's financial statements, investments in subsidiaries and associates are accounted for by the cost method.

When an investment is assessed as being impaired, the amount of impairment is recognized as expense in the statements of profit or loss and other comprehensive income.

Equity securities which are non-listed securities are stated at cost, except in the case where a permanent decline in value is deemed to have occurred with the loss charged to the statements of profit or loss and other comprehensive income.

Cost of securities sold during the year is computed by using the weighted average method. Realized gains or losses from sales of debt and equity securities are included in the statements of profit or loss and other comprehensive income.

4.6 Loans to customers

Since January 1, 2020, loan to customers are initially recognised at fair value, plus transaction fees and costs and subsequently measured at amortised cost using the effective interest method, less allowance for expected credit loss, which are presented as 'Loans to customers and accrued interest receivables, net.'

Overdrafts are stated at the drawn amounts including interest.

Other loans are stated at the principal amounts net of unearned interest income adjusted by unamortised transaction costs and fees, including deferred subsidy income on hire-purchase contract and finance lease, deferred first day gain or loss, modification gain or loss, FVOCI adjustment, and fair value hedge adjustment.

Accrued interest receivables is calculated using the contractual rate. Undue interest income is interest income calculated by using the effective interest method, deducted by accrued interest receivables.

Prior to January 1, 2020, overdrafts are stated at the drawn amounts including interest.

Hire-purchase receivables and finance lease receivables are carried at contract amount plus initial direct cost.

Other loans are stated at the principal amounts.

Unearned discount from notes are presented in deferred revenue.

Unearned interest income and deferred subsidy income on hire-purchase contract and finance lease are presented in deferred revenue and amortized by the effective interest rate method.

Initial direct cost is amortized by the effective interest rate method.

4.7 Allowance for expected credit loss

Since January 1, 2020, the Bank and its subsidiaries recognise a loss allowance for expected credit loss ("ECL") on financial assets measured at amortised cost or measured at fair value through other comprehensive income. No impairment loss is recognised on equity instruments measured at fair value through other comprehensive income.

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

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

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

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

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

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

The Bank and its subsidiaries measure ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's OEIR, regardless of whether it is measured on an individual basis or a collective basis.

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

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets.

The Bank and its subsidiaries assess whether debt instruments measured at amortised cost or FVOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Bank and its subsidiaries consider factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a backstop if amounts are overdue for 90 days or more.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Bank and its subsidiaries consider the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Bank and its subsidiaries; or
- the borrower is unlikely to pay its credit obligations to the Bank and its subsidiaries in full.

Significant increase in credit risk

The Bank and its subsidiaries monitor all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Bank and its subsidiaries will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Bank and its subsidiaries compare the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Bank and its subsidiaries consider both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort, based on the Bank and its subsidiaries' historical experience and expert credit assessment.

As a back-stop when an asset becomes 30 days past due, the Bank and its subsidiaries consider that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding.

Purchased or originated credit-impaired financial assets

Purchased or originated credit-impaired financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Bank and its subsidiaries recognise all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in profit or loss. If it is a change in lifetime ECL is favorable, the impairment gain is recognised even if the lifetime ECL are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.

Write-off

The Bank and its subsidiaries directly reduce the gross carrying amount of a financial asset when the Bank and its subsidiaries have no reasonable expectations of recovering financial assets in their entirety or portion thereof. A write-off constitutes a derecognition event. Write-offs are recognised in the statement of profit or loss and other comprehensive income.

Bad debts recovered from written off receivables will be recognised in the statement of profit or loss and other comprehensive income.

Loss allowances for ECL are presented in the statement of financial position as follows:

- For financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- For debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;
- For loan commitments and financial guarantee contracts: as a provision; and where a financial instrument includes both a drawn and an undrawn component, and the Bank and its subsidiaries cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank and its subsidiaries present a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

Prior to January 1, 2020, allowance for doubtful accounts is determined through methods in accordance with the BOT's regulations. The Bank and its subsidiaries categorize their loan portfolio and determine allowance for doubtful accounts subject to different levels of provisioning. Allowance for doubtful accounts for loans classified as normal and special mention are calculated based on the minimum percentage in accordance with the BOT's guidelines by using the value of collateral for calculation of reserve. For loans classified as substandard, doubtful and doubtful of loss, the allowance rate is 100 percent of the difference between the outstanding loan value and present value of expected cash flow from proceeds from disposal of the collateralized assets which exclude collateral in the form of machinery. With the exception of a subsidiary that carries out a leasing business, the reserve calculation

is determined by including the value of machinery as collateral. In addition, the Bank and its subsidiaries estimate an additional allowance for doubtful debts over the minimum percentage as specified in the BOT's guidelines.

Allowance for doubtful accounts for hire-purchase receivables of the Bank and its subsidiaries are calculated by using the collective approach which classifies a group of loans having similar credit risk characteristics based on the historical loss experience of each loan category.

Loans to customers are written-off in the year that they are determined to be irrecoverable. Bad debts written-off during the year are recorded as a deduction from the allowance for doubtful accounts. Bad debts and doubtful accounts are shown as expenses in the statements of profit or loss and other comprehensive income.

Bad debt recovery is recorded as income in the statements of profit or loss and other comprehensive income when received.

4.8 Troubled debt restructuring

Since January 1, 2020, a trouble debt restructuring ("TDR") is a loan that has been modified in response to a customer who are temporarily in financial distress and are unable to meet their original contractual repayment terms. TDR can be initiated by the client, the Bank or a third party including government sponsored programmes. TDR may include the reduction of principal and accrued interest and other forms such as modifications of terms, asset transfers, equity securities transfers, and etc or any other criteria as specified by the Bank of Thailand. TDR loan that has been modified, and not derecognised, on terms that are not consistent with those readily available in the market or the conditions specify by BOT are considered credit impaired if there is a detrimental impact on cash flows. TDR loan is subjected to modification gain or loss calculation. The amount of modification gain or loss arises from the difference between the gross carrying amount before modification and the present value of the expected future cash flow discounted by the original effective interest rate. The modification gain or loss is recognized in the statement of profit or loss and other comprehensive income with a corresponding increase or decrease in gross carrying value of the asset.

Prior to January 1, 2020, losses on troubled debt restructurings resulting from the reduction of principal and accrued interest and other form such as modifications of terms, asset transfers, equity securities transfers, and etc. are recognized as expenses in the statements of profit or loss and other comprehensive income.

For troubled debt restructurings with a modification of terms, the Bank has applied the BOT's criteria requiring the Bank to choose between the collateral method to estimate a loss amount and the net present value method which represents expected future cash flows by applying the discounted rate at market interest rate on the restructuring date. Losses from such debt restructurings are recognized in the statements of profit or loss and other comprehensive income.

The Bank has recalculated the fair value of restructured debts in every month based on the discounted rate at market interest rate as of the processing date and based on the discounted rate at market interest rate as of the financial statements date that shown every quarter, except for commercial loan, the recalculation based on the discounted rate at contractual rate. The Bank adjusts the valuation on debt restructured for any change on monthly basis, in accordance with the BOT's criteria. The valuation adjustment on restructured debt shall not cause the book value of restructured debt to exceed the investment value on restructured debt.

Restructured debt with assets or equity securities transferred for debt repayment either in whole or in part are recorded at the fair value, net of estimated selling expenses, not to exceed the investment value on such debt and the right-to-claim interest income.

For investments in receivables incurred prior to January 1, 2013, that are subsequently restructured, the Bank has calculated the fair value of restructured debt as of the restructuring date and recognized the difference between book value and fair value in the statements of profit or loss and other comprehensive income for the year and classified investments in receivables as loans in accordance with the BOT's criteria.

4.9 Properties for sale

Properties for sale consist of immovable and movable properties which are recorded at the lower of net investment in the loan plus accrued interest (including previously unrecognized contractual interest) or the fair value of the property as of the date of foreclosure.

The Bank and its subsidiaries provided the allowance for impairment of properties for sale as disclosed in Note 6.4. Losses on impairment of properties for sale are shown as an expense in the statements of profit or loss and other comprehensive income.

Gains or losses on the disposal of such properties are realized upon disposition of the underlying asset and are included in other operating income in the statements of profit or loss and other comprehensive income.

4.10 Property, premises and equipment

Land is stated at the appraised value. Premises are stated at the appraised value less accumulated depreciation. Equipment is stated at cost less accumulated depreciation.

Revaluation of assets

Land and premises have been revalued by independent appraisers based on the market value for land and depreciated replacement cost for premises. For the portion of land and premises which have been revalued, the increments above the previous appraisal are recorded in land revaluation surplus and premises revaluation surplus accounts. In case of a revaluation decrease, the decline in value is deducted from such revaluation surplus to the extent that the new value is above original cost and recognized in the statements of profit or loss and other comprehensive income for the decrease in value below original cost.

The Bank's suite units in condominiums used as offices have been revalued by independent appraisers in accordance with the BOT's guidelines using depreciated replacement cost. The Bank has recorded the increment per appraisal of premises as revaluation surplus. Any revaluation decrease in excess of the original cost is recorded by deducting from the revaluation surplus.

During the Bank's usage of the revalued assets, the revaluation surplus will be gradually transferred directly to retained earnings equal to the difference between the depreciation calculated from book value of the revalued assets and the depreciation calculated from the original cost of such assets. All balances of the outstanding revaluation surplus will be transferred to retained earnings when the Bank writes off such assets from the financial statements.

Depreciation

Depreciation of premises (included revaluation) and equipment is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Premises and building improvement	10 - 50	years
Equipment, furniture, fixtures, office equipment and vehicles	2 - 10	years

Gains or losses on the disposal of property, premises and equipment are recognized in other operating income or other expenses in the statements of profit or loss and other comprehensive income.

4.11 Lease

Short-term leases and leases of low-value assets

Since January 1, 2020, the Bank and its subsidiaries assess whether a contract is or contains a lease, at inception of the contract. The Bank and its subsidiaries recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as leases with the underlying asset value not exceed Baht 150,000). For these leases, the Bank and its subsidiaries recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use asset

A lease that has a lease term of more than 12 months and for which the underlying asset exceeds Baht 150,000 shall be recognised for a right-of-use asset at cost which consists of the amount of the initial measurement of the lease liability (that is the present value of the lease payments that are not paid at the commencement date, discounted by discounted by the incremental borrowing rate), any lease payments made at or before the commencement date, any initial direct costs incurred, and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset (leased asset) to the condition required by the terms and conditions of the lease, less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability.

The right-of-use asset is presented in premises and equipment, net in the statement of financial position.

Depreciation of right-of-use assets is calculated based on the estimated useful lives in case the lease transfers ownership of the underlying asset; or calculated based on the shorter of the estimated useful lives or the lease term in case the lease does not transfer ownership of the underlying asset.

Impairment of right-of-use assets shall be determined using the TAS 36 Re: Impairment of Assets which explains how to review the carrying amount of its assets, how to determine the recoverable amount of an asset, and when an impairment loss is recognised or reversed.

Lease liability

At the commencement date of the lease, the Bank and its subsidiaries recognise lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Lease liability is presented in other liabilities in the statement of financial position. Finance charges are charged directly to the statements of profit or loss and other comprehensive income.

The Bank and its subsidiaries remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Prior to 1 January 2020, leases under which the Bank and its subsidiaries assume substantially all the risks and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalized at the lower of its fair value or the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statements of profit or loss and other comprehensive income.

4.12 Intangible assets

Intangible assets with indefinite useful lives are stated at cost less allowance for impairment, if any. Intangible assets with finite useful lives are stated at cost less accumulated amortization and allowance for impairment.

Amortization

Software amortization is calculated by the straight-line method over the expected future economic benefit period between 3 - 10 years.

Amortization of other intangible assets received from business combinations such as information of customer relationships, dealer relationships and the distribution network, are calculated by the straight-line method over the expected future economic benefit period between 8 - 20 years.

Amortization incurred is recognized as other operating expense in the statements of profit or loss and other comprehensive income.

4.13 Financial Liabilities

Financial liabilities are initially recognised at fair value plus transaction costs, and are subsequently measured at amortised cost using the effective interest method, except when the liabilities are held at fair value through profit or loss.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Bank and its subsidiaries become a party to the contractual provisions of the financial instrument. The financial liabilities measured at amortised cost, which is the amount at which the financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

Interest expense and EIR amortisation as well as foreign exchange gains or losses on financial liabilities measured at amortised cost are recognised in the statement of profit or loss and other comprehensive income.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

4.14 Recognition of income

Since January 1, 2020, interest income for all financial instruments except for those measured or designated as at FVTPL are recognised as interest income in profit or loss using the effective interest method.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and costs paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts.

Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any allowance for expected credit loss).

For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets purchased or originated credit-impaired, the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Interest income also includes the effective portion of fair value changes of derivatives designated as hedging instruments in cash flow hedges of interest rate risk. For fair value hedges of interest rate risk, the effective portion of fair value changes of the designated derivatives as well as the fair value changes of the designated risk of the hedged item are also included in interest income.

Since January 1, 2020, fee and service income other than those that are an integral part of EIR, is recognised based on contracts with customers in the amount of consideration that the Bank and its subsidiaries expected to receive upon service providing. The timing of recognition depends on whether the Bank and its subsidiaries satisfy a performance obligation by providing services to a customer over time or at a point in time.

Prior to January 1, 2020, interest income from loans to customers and other income are recognized on an accrual basis, except interest income on finance lease and hire-purchase contract is recognized by the effective interest rate method.

Interest income from investment in debt securities and investment in loans are recognized by the effective interest rate method.

The Bank and its subsidiaries are required by the BOT to stop accruing interest income from debtors when more than three months past due and reverse this accrued interest income from interest income. Thereafter, interest income from these debtors shall be recognized on a cash basis.

The asset management subsidiary recognizes interest income from investments in receivables and loans by using the market interest rate plus a risk premium that represents the discounted rate in calculating present value of future cash flows expected to be collected from receivables, except for certain receivables being doubtful of collection where the subsidiary recognizes interest income from such investments in receivables and loans on a cash basis.

The hire-purchase business recognizes income for finance leases and hire-purchase contracts by the effective interest rate method.

4.15 Recognition of expenses

Since January 1, 2020, interest expenses are recognised by using the effective interest method.

Fee and service expenses with regards to services are accounted for as the services are received.

Other expenses are recognised on an accrual basis.

Prior to January 1, 2020, the Bank and its subsidiaries recognize expenses, including interest expenses on an accrual basis.

4.16 Employee benefits

The Bank and subsidiaries have 4 types of employee benefits as follows:

4.16.1 Provident funds

The Bank and its subsidiaries established a provident fund under the Provident Fund Act B.E. 2530. The fund is managed by a financial institution which is an authorized fund manager.

Member is required to make contribution at the rate of not less than 3% of salary.

The Bank and its subsidiaries will contribute as follows:

Service periods	Contribution rate (%)
Less than 5 years	5 - 10
5 years but less than 10 years	6 - 12
10 years but less than 20 years	8 - 12
Over 20 years	10 - 12.5

The contributions to the provident fund made by the Bank and its subsidiaries are recorded as employees' expenses in the statements of profit or loss and other comprehensive income.

4.16.2 Post-employment benefit obligations

- Pension plan

  The employees who were permanently employed prior to January 1, 1998 and have completed at least 10 continuous service years are eligible to receive a pension payment when they leave the Bank. On January 1, 1998, the Bank established the provident fund for its employees to replace the pension plan. After the establishment of the provident fund, the amount due to a departing employee shall first be disbursed from the provident fund. If the estimated contributions made by the Bank and interest thereon are less than the pension receivable under the pension plan, the Bank will pay such difference by disbursing from the pension fund.

- Legal severance payment plan

  All employees will receive severance payment upon retirement in accordance with the Labor Protection Act.

- Special retirement allowance

  The employee will receive "Special Retirement Allowance" additional to legal severance payment plan upon resignation in accordance with the Bank's policy.

The obligations of these plans are considered as unfunded defined benefit obligations and are separately measured by an actuary using the projected unit credit method to determine the present value of cash flows of employee benefit to be paid in the future. Under this method, the obligation is based on an actuarial calculation including the employee's expected salary, business turnover rate, salary increase rate, mortality rate, discount rate, years of services and other factors.

The expenses for the defined benefit plan are recognized as employee's expenses in the statement of profit or loss and other comprehensive income.

Past service cost related to the plan amendment is recognized as an employee's expense in the statements of profit or loss and other comprehensive income when the plan amendment is effective.

Actuarial gains (losses) are recognized in other comprehensive income.

4.16.3 Benefit from carry forward leave

The benefit from cumulative carry forward leave is recognized as a liability in the statements of financial position and employee's expenses in the statements of profit or loss and other comprehensive income when the employees render the service.

4.16.4 Other benefit

The employee of a subsidiary will receive "other benefit" upon resignation or retirement in accordance with the subsidiary's policy.

The cumulative of other benefit is recognized as a provision in the statement of financial position.

The expense is categorized as defined contribution plan and recorded as employee's expenses in the statements of profit or loss and other comprehensive income.

4.17 Contributions to the Financial Institutions and Development Fund and the Deposit Protection Agency

Contributions to the Financial Institutions Development Fund and the Deposit Protection Agency are recognized on an accrual basis as expenses in the statements of profit or loss and other comprehensive income.

4.18 Customer Loyalty Programmes

Customer Loyalty Programmes are to grant the points to customer who joins the program. The points are based on the certain transactions determined under customer loyalty programmes and able to be redeemed for free or discount of merchandise or services.

Obligation from granting the points is recognized and measured at the fair value of the consideration received or receivable which is derived from outstanding points expected future redemption multiplied by estimated fair value per point.

Such obligation is allocated from consideration received or receivable and recorded through deferred revenue customer loyalty programmes under other liabilities and recognized as fee income when the points are redeemed by customers.

4.19 Taxation

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

4.19.1 Current tax

The current tax is the amount of income tax payable in respect of taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current tax is calculated using tax rates that have been enacted or substantively enacted on the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Bank and its subsidiaries intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

4.19.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). The Bank and its subsidiaries recognize deferred tax liabilities for all taxable temporary differences and recognize deferred tax assets for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that the Bank and its subsidiaries have sufficient taxable profit to allow total or part of the asset to be recovered. The Bank and its subsidiaries do not recognize deferred tax assets and liabilities for goodwill.

The Bank and its subsidiaries measure deferred tax assets and liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted on the end of the reporting period.

Deferred tax assets and liabilities must offset when the Bank and its subsidiaries have legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

The Bank and its subsidiaries present income tax expenses or income related to profit or loss in the statements of profit or loss and other comprehensive income. For current income taxes and deferred taxes related to items recognized directly in other comprehensive income in equity in the same or different period, they will be recognized directly in other comprehensive income in equity.

4.20 Earnings per share

Basic earnings per share are calculated by dividing net income by the number of weighted-average ordinary shares outstanding during the year.

4.21 Foreign currency transactions

4.21.1 Translation of foreign currency transactions

Transactions denominated in foreign currency are translated into the functional currency as follows:

On transaction date, the foreign currency transactions are translated using the exchange rate at the date of transaction.

At the end of each reporting period, the balance of monetary assets and liabilities are translated using the exchange rate on the reporting date and the balance of non-monetary assets and liabilities measured at historical cost are translated using the exchange rate at the transaction date.

Foreign exchange gains or losses from translation are recognized as income or expenses in gains (losses) on trading and foreign exchange transactions, net in the statements of profit or loss and other comprehensive income.

4.21.2 Translation of financial statements of foreign operations

In preparation of the consolidated and the Bank's financial statements, the Bank translates the financial statements of foreign operations which its functional currency is other than Thai Baht currency as follows:

The assets and liabilities of foreign operations are translated to Thai Baht at the foreign exchange rate at the reporting date.

The revenue and expenses of foreign operations are translated to Thai Baht at the foreign exchange rate at the dates of the transactions.

Foreign exchange differences arising from translation of the financial statements of foreign operations are recognized in other comprehensive income and its cumulative amount is presented as foreign currency translation reserve in other reserves under equity.

4.22 Business combination

Business combination which is not under common control

The Bank recognizes the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree separately from goodwill at fair value.

Goodwill in a business combination represents the excess of the cost of acquisition over the Bank's interest in the fair value of the identifiable net assets acquired as at the date of acquisition.

Negative goodwill arising on business acquisition represents the excess of the acquirer's interest in the fair value of the identifiable net asset acquired over the cost of acquisition as at the date of acquisition.

Other costs directly attributable to the business combination are recorded as acquisition costs. Since January 1, 2011, other costs have been recognized as expenses in the statements of profit or loss and other comprehensive income.

Goodwill in a business combination is recognized as an asset recorded as of the acquisition date. Negative goodwill is recognized as income in the statements of profit or loss and other comprehensive income.

Goodwill is stated at cost less allowance for impairment (if any).

Business combination under common control

The Bank recognizes the business combination under common control similar to pooling of interests in accordance with the accounting guidance "Business Combination Under Common Control". The assets and liabilities of the acquiree are recognized using the net book value at the date of business combination. The difference between the cost of business combination and the interest of the Bank in the acquiree's net book value is recognized as premium (deficit) from business combination under common control presented under the Bank's equity in the statement of financial position.

5. RISK MANAGEMENT

5.1 Market Risk

1) Objective and Market Risk Management Policy

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

The Bank places great importance on effective market risk management and controls by establishing market risk management policy. We control market risk under the risk appetite approved by the Board of Directors (BOD). The risk limits have been regularly reviewed to ensure that they are commensurate with the scope, volume, and complexity of transactions, and support prudent business expansion. The Bank develops comprehensive risk management guidelines, and maintains sufficient capital for both normal and stressed business conditions.

2) Organization and Structure

The BOD has delegated to management through the Risk Management Committee (RMC) and the Asset and Liability Management Committee (ALCO) the authority to manage and control market risk in a manner consistent with policy. The ALCO establishes guidelines for appropriate management of assets, liabilities, and off-balance sheet items. The organizational structure clearly segregates the duties and responsibilities of the units responsible for transaction execution, operations, and risk management to avoid conflicts of interest.

The Market Risk Management Division has provided strategic risk management options and reported risk exposure to relevant committees. The Global Markets Group executes transactions and manages positions as well as provides strategic options for more effective market risk management.

3) Market Risk Management Framework

The Bank has continuously conducted the forward-looking risk management and closely monitor to support the business expansion in potential financial products and services to meet more complicated and varieties customers' demand at the acceptable market risk level amid high volatility in global financial markets and tightening regulation from BOT.

The Bank classified the market risk exposures into two main portfolios based on the nature and purpose of a transaction, namely trading book and banking book

- **A trading book** consists of positions in financial instruments held either for trading or hedging other elements of the trading book.
- **A banking book** consists of positions in financial instruments or other transactions not intended for trading, or financial instruments meant to be held for a long period or until reaching maturity.

Market Risk Factors and Risk Management

The Bank's transactions are exposed to interest rate risk, foreign exchange risk, and equity price risk, all of which may affect income and/or shareholders' equity.

Interest Rate Risk

Interest rate risk arises from the structure and characteristics of the Bank's assets, liabilities and contingencies, and from the mismatch of their repricing rates and frequency.

The Bank employs various tools and methods for the interest rate risk management. Net interest income simulation is conducted to assess the impact on banking book position while Value-at-Risk (VaR) tool is employed for the trading book position to estimate the Bank's potential maximum loss.

Foreign Exchange Risk

The Bank has a policy to cap the net foreign currency position. Most foreign currency transactions are mainly from products and services provided to the Bank's customers.

In addition, the Bank enters into forward foreign exchange contracts as part of the risk management strategy of the foreign exchange risk arising from the Bank's underlying assets and liabilities and hedges that risk from customers' transactions. The utilization of forward foreign exchange contracts for these purposes is governed by policies and guidelines approved by the Bank's BOD and controlling procedures set by the relevant departments and Committees.

The Bank monitors the risk level under the specified limits using the Value-at-Risk Method as one of the tools to manage the exchange rate risk.

Equity Price Risk

The Bank assesses the potential of securities issuer companies and has a policy to buy/sell equity securities mainly for medium-term and long-term purpose. In managing equity position risk which is held, according to initial intention, as long-term for Banking Book, the Bank monitors and reports the equity price risk and ensure that the level of capital fund is appropriate and sufficient to absorb losses arising from the positions.

For Trading Book, the Bank monitors the level of risk under the specified risk limits using the VaR Method to manage the equity price risk.

Measurements of Market Risk in Trading Book

Market risk exposures in trading book

Financial business group: Value-at-Risk (VaR)

Financial business group: VaR (Trading book) as at December 31, 2020

Unit: Million Baht

	VaR*
Overall	**322**
Interest rate risk	80
Foreign currency risk	314
Equity risk	0

* Confident level 99% Holding period 10 Days

The Bank: Sensitivity analysis

Bank's sensitivity analysis (Trading book) as at December 31, 2020

Unit: Million Baht

	Estimated profit (loss)
Interest Rate	
1. Interest rate parallel increase 100 bps	11
2. Non-parallel: unchanged for <= 1 year; increase 50 bps for tenor over 1 year	(36)
FX	
3. USD/THB exchange rate increase 1%	20
Equity	
4. All equities price decrease for 10%	-

Measurements of Interest Rate Risk in Banking Book

Interest rate risk exposures in banking book as at December 31, 2020 and 2019

Net interest income sensitivity*
(Earnings perspective)

Short-term effect analysis: assesses the potential impact on net interest income (NII Impact) as earnings perspective.

Unit: Million Baht

Currency	CONSOLIDATED SUPERVISION		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
THB	(787)	(38)	(922)	(186)
USD	(556)	(48)	(461)	22
Other foreign currencies	(401)	(407)	(394)	(412)
Total impact	(1,744)	(493)	(1,777)	(576)
% of net interest income over the next 12 months	(2.21%)	(0.60%)	(3.46%)	(0.94%)

* The changes in increase interest rates of 100 bps.

Book value of equity sensitivity*
(Economic value perspective)

Long-term effect analysis: analyzing the sensitivity of the economic value of shareholder equity (BVE Impact) as economic value perspective.

Unit: Million Baht

Currency	CONSOLIDATED SUPERVISION		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
THB	(8,637)	(5,419)	(8,097)	(4,748)
USD	(430)	(359)	(20)	50
Other foreign currencies	(35)	33	18	24
Total impact	(9,102)	(5,745)	(8,099)	(4,674)
% of Total capital fund	(2.71%)	(1.81%)	(2.93%)	(1.75%)

* The changes in increase interest rates of 100 bps.

Structure of assets and liabilities based on next repricing as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS						
	2020						
	0 - 3 Months	More than 3 - 12 Months	More than 1 - 5 Years	Over 5 Years	NPL	Non-Interest bearing	Total
Financial assets							
Interbank and money market items, net	452,824	7,284	5,201	884	-	57,192	523,385
Investments, net	26,974	34,932	87,388	100	-	12,706	162,100
Loans to customers	871,690	306,068	485,252	45,733	45,672	78,520	1,832,935
Financial liabilities							
Deposits	1,346,231	396,564	49,977	22	-	41,711	1,834,505
Interbank and money market items	153,074	57,054	28,486	996	-	3,960	243,570
Debt issued and borrowings	15,366	31,156	36,426	63,146	-	25	146,119

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS						
	2019						
	0 - 3 Months	More than 3 - 12 Months	More than 1 - 5 Years	Over 5 Years	NPL	Non-Interest bearing	Total
Financial assets							
Interbank and money market items, net	279,911	2,709	4,152	-	-	44,659	331,431
Investments, net	41,550	49,637	19,451	863	-	6,839	118,340
Loans to customers	901,414	264,845	486,211	40,523	41,334	83,550	1,817,877
Financial liabilities							
Deposits	1,034,234	427,298	67,995	22	-	37,336	1,566,885
Interbank and money market items	177,888	65,356	5,667	156	-	3,054	252,121
Debt issued and borrowings	20,036	23,336	71,447	60,833	-	15	175,667

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS						
	2020						
	0 - 3 Months	More than 3 - 12 Months	More than 1 - 5 Years	Over 5 Years	NPL	Non-Interest bearing	Total
Financial assets							
Interbank and money market items, net	452,056	7,194	5,201	-	-	51,743	516,194
Investments, net	26,974	34,932	87,388	100	-	6,146	155,540
Loans to customers	873,495	274,100	432,262	42,064	36,416	3,872	1,662,209
Financial liabilities							
Deposits	1,342,234	386,813	47,287	-	-	42,889	1,819,223
Interbank and money market items	152,622	54,641	13,631	107	-	3,973	224,974
Debt issued and borrowings	15,001	23,139	27,000	60,811	-	-	125,951

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS						
	2019						
	0 - 3 Months	More than 3 - 12 Months	More than 1 - 5 Years	Over 5 Years	NPL	Non-Interest bearing	Total
Financial assets							
Interbank and money market items, net	278,298	2,659	4,152	-	-	40,581	325,690
Investments, net	41,550	49,637	19,450	863	-	6,408	117,908
Loans to customers	903,626	237,077	441,543	36,971	35,542	7,012	1,661,771
Financial liabilities							
Deposits	1,033,262	420,993	66,246	-	-	38,279	1,558,780
Interbank and money market items	179,668	62,753	6,429	156	-	3,071	252,077
Debt issued and borrowings	10,036	12,157	56,000	60,811	-	-	139,004

5.2 Liquidity Risk

1) Objective and liquidity risk management policy

The Bank controls liquidity risk under the risk appetite approved by the Board of Directors with appropriate operating costs. We place great importance on effective liquidity risk management and controls by establishing liquidity risk management policy and emergency contingency plan. Additionally, the Bank maintains liquid assets to comply with the Bank of Thailand's regulations and emphasizes on management of excess liquidity at an acceptable level and an adequate amount for both the Bank's and subsidiaries' business operations. Liquidity management utilizes both qualitative and quantitative approaches to ensure appropriate risk diversification and management.

2) Organization and structure

The Board of Directors delegates the authority to manage and control liquidity risk consistent with the Bank's policies to the relevant committees. The Bank also reviews risk policies and limits on regular basis or when there is any significant change in the market to ensure that they are commensurate with changing business and market conditions.

Liquidity risk is overseen by the Risk Management Committee (RMC) and managed by Asset and Liability Management Committee (ALCO). The Bank's organizational structure clearly segregates the responsibilities and duties of the units responsible for executing transactions and risk management to avoid conflicts of interest.

The Market Risk Management Division provides strategic risk management options, while the Global Markets Group proposes funding strategic options, and manages daily liquidity positions under risk limits approved by the Board of Directors.

3) Liquidity risk management framework

To ensure the efficiency of the liquidity risk management to generate sufficient liquidity for debt repayment and various obligations upon maturity or being called under normal and extreme circumstances, the Bank has clearly established the liquidity risk management framework to be able to manage and control such risk in accordance with its policy and strategy and maintain such risk within its liquidity risk tolerance approved by the Board of Directors.

Liquidity Risk Measurements

The Bank's liquidity risk factors are from the mismatched structure of sources and uses of funds.

The Bank realizes the importance of adequate measuring tools for the size and complexity of transactions both on- and off-balance sheet.

We employ liquidity risk measurement tools from maturity mismatches of cash flows from assets, liabilities and off-balance sheet such as cash flow/liquidity projection and liquidity gap analysis according to the remaining contractual maturity and the behavioral adjustment to align with the actual behavior. In this regard, consideration is given both to normal and crisis situations, together with sufficient liquidity reserves.

Additionally, the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) have been implemented to comply with BOT regulation to enhance short-term and long-term liquidity risk management.

To manage and control liquidity risk from Funding Sources & Concentration

The Bank has set up a concentration trigger level which defines the maximum funding exposure for the Top 1 and Top 20 of customer groups.

Main source of funding & funding structure

The Bank encourages customers to make use of relationship and operational services to boost deposit volume and thus comply with BOT regarding LCR guidelines.

Financial assets and financial liabilities based on remaining contractual maturity as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS						
	2020						
	At call	Within 1 Year	Over 1 Year but within 5 years	Over 5 Years	No maturity	Non-Performing Loans	Total
Financial Assets							
Cash	30,333	-	-	-	-	-	30,333
Interbank and money market items, net	65,044	449,702	4,728	3,740	171	-	523,385
Financial assets measured at FVTPL	-	26	236	497	27	-	786
Derivatives assets	-	13,216	10,786	6,443	-	-	30,445
Investments, net	-	45,352	104,651	1,496	10,601	-	162,100
Loans to customers	80,003	575,877	817,176	314,207	-	45,672	1,832,935
Total	**175,380**	**1,084,173**	**937,577**	**326,383**	**10,799**	**45,672**	**2,579,984**
Financial Liabilites							
Deposits	882,806	876,507	75,175	17	-	-	1,834,505
Interbank and money market items	22,269	187,339	28,463	5,499	-	-	243,570
Liability payable on demand	5,607	-	-	-	-	-	5,607
Derivatives liabilities	-	16,367	9,711	6,864	-	-	32,942
Debt issued and borrowings	-	44,947	37,437	63,735	-	-	146,119
Total	**910,682**	**1,125,160**	**150,786**	**76,115**	**-**	**-**	**2,262,743**
Net liquidity gap	**(735,302)**	**(40,987)**	**786,791**	**250,268**	**10,799**	**45,672**	**317,241**

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS						
	2019						
	At call	Within 1 Year	Over 1 Year but within 5 years	Over 5 Years	No maturity	Non-Performing Loans	Total
Financial Assets							
Cash	33,830	-	-	-	-	-	33,830
Interbank and money market items, net	60,412	264,544	4,353	1,841	281	-	331,431
Derivatives assets	-	7,989	8,841	5,011	-	-	21,841
Investments, net	-	75,794	35,285	1,253	6,008	-	118,340
Loans to customers	101,732	604,291	743,181	327,339	-	41,334	1,817,877
Total	**195,974**	**952,618**	**791,660**	**335,444**	**6,289**	**41,334**	**2,323,319**
Financial Liabilites							
Deposits	637,322	861,542	67,999	22	-	-	1,566,885
Interbank and money market items	12,948	228,544	5,946	4,683	-	-	252,121
Liability payable on demand	3,802	-	-	-	-	-	3,802
Derivatives liabilities	-	10,080	7,559	5,687	-	-	23,326
Debt issued and borrowings	-	41,207	71,505	62,943	12	-	175,667
Total	**654,072**	**1,141,373**	**153,009**	**73,335**	**12**	**-**	**2,021,801**
Net liquidity gap	**(458,098)**	**(188,755)**	**638,651**	**262,109**	**6,277**	**41,334**	**301,518**

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS						
	2020						
	At call	Within 1 Year	Over 1 Year but within 5 years	Over 5 Years	No maturity	Non-Performing Loans	Total
Financial Assets							
Cash	29,215	-	-	-	-	-	29,215
Interbank and money market items, net	61,752	449,543	4,728	-	171	-	516,194
Financial assets measured at FVTPL	-	26	213	497	-	-	736
Derivatives assets	-	13,208	10,804	6,642	-	-	30,654
Investments, net	-	45,352	104,651	100	5,437	-	155,540
Loans to customers	79,345	504,287	732,732	309,429	-	36,416	1,662,209
Total	**170,312**	**1,012,416**	**853,128**	**316,668**	**5,608**	**36,416**	**2,394,548**
Financial Liabilites							
Deposits	885,915	860,823	72,485	-	-	-	1,819,223
Interbank and money market items	21,902	184,828	13,632	4,612	-	-	224,974
Liability payable on demand	5,606	-	-	-	-	-	5,606
Derivatives liabilities	-	16,367	9,711	7,040	-	-	33,118
Debt issued and borrowings	-	36,038	27,000	62,913	-	-	125,951
Total	**913,423**	**1,098,056**	**122,828**	**74,565**	**-**	**-**	**2,208,872**
Net liquidity gap	**(743,111)**	**(85,640)**	**730,300**	**242,103**	**5,608**	**36,416**	**185,676**

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS						
	2019						
	At call	Within 1 Year	Over 1 Year but within 5 years	Over 5 Years	No maturity	Non-Performing Loans	Total
Financial Assets							
Cash	32,785	-	-	-	-	-	32,785
Interbank and money market items, net	56,774	264,282	4,353	-	281	-	325,690
Derivatives assets	-	7,990	8,863	5,043	-	-	21,896
Investments, net	-	75,793	35,285	836	5,994	-	117,908
Loans to customers	101,164	521,359	684,232	319,474	-	35,542	1,661,771
Total	**190,723**	**869,424**	**732,733**	**325,353**	**6,275**	**35,542**	**2,160,050**
Financial Liabilites							
Deposits	641,395	851,135	66,250	-	-	-	1,558,780
Interbank and money market items	16,742	224,227	6,429	4,679	-	-	252,077
Liability payable on demand	3,802	-	-	-	-	-	3,802
Derivatives liabilities	-	10,080	7,559	5,686	-	-	23,325
Debt issued and borrowings	-	20,082	56,000	62,922	-	-	139,004
Total	**661,939**	**1,105,524**	**136,238**	**73,287**	**-**	**-**	**1,976,988**
Net liquidity gap	**(471,216)**	**(236,100)**	**596,495**	**252,066**	**6,275**	**35,542**	**183,062**

4) Maintenance of Liquidity Coverage Ratio (LCR)

To comply with BOT Notification SorNorSor. 2/2561 regarding Liquidity Coverage Ratio Disclosure Standards dated January 25, 2018, the Bank has provided on its website essential information on LCR to shareholders and investors for assessing the liquidity risk of the Bank and encouraging market discipline with details as follows:

Information as at	December 31, 2020
Date of disclosure	Within 4 months after the period end date as indicated in the BOT's notification (within April 2021)
Location of disclosure	https://www.krungsri.com/en/investor-relations/financial-information/disclosure/liquidity-coverage-ratio

5.3 Credit risk

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

Credit risk is the single largest risk for the Bank's business; management therefore carefully manages its exposure to credit risk. The Bank's strategy for managing credit risk is developed according to risk appetite of the Bank. To identify clear goals for practitioners, the Bank establishes policies and operational plans for reference in accordance with our strategy - credit policies, credit risk management policies, and credit rating policies etc. credit risk is managed under the Bank's strategy based on international standards and conforming to the Bank of Thailand's rules and regulations.

The Bank has developed models to support the quantification of the credit risk. These rating and scoring models are in use for all key credit portfolios and form the basis for measuring default risks.

Commercial credit risk management

The commercial credit risk is managed through our internal credit risk management framework that is enhanced continuously to meet international standards. The internal credit rating are developed and used to assign risk rating for customers at origination or acquisition, are reassessed annually, and are adjusted to changes in credit quality over the life of the exposure through our credit review process. In assessing the risk rating of a loan or lending-related commitment, we consider factors that could potentially impact customer debt capacity including customer earnings and repayment sources, management's ability and track record, and the industry and location of the customer.

We acknowledge that each customer is different, and thus the source of information used to evaluate debt repayment capacity must be tailored to each type of customer. Such evaluation and rating assignment would be based on financial statements, also accounting for other quantitative and qualitative factors to reflect business capacity and potential for growth.

The credit risk exposure of commercial credit portfolio can be shown as follows:

Credit risk exposure by credit rating as at December 31, 2020

Unit: Million Baht

Risk rating	CONSOLIDATED FINANCIAL STATEMENTS		
	ECL staging		
	Stage 1	Stage 2	Stage 3
Investment grade	568,365	402	-
Medium risk	251,408	50,510	1
High risk	-	22	14,855
Gross carrying amount	819,773	50,934	14,856
Expected credit loss	9,885	5,529	7,896

Related collaterals as at December 31, 2020

Unit: Million Baht

Credit-impaired asset (stage 3)	CONSOLIDATED FINANCIAL STATEMENTS		
	GCA	ECL	Collateral value*
Large corporate	5,275	1,992	3,219
Small & meduim enterprise	9,581	5,904	5,223

* Value of collateral allocated to on balance sheet and available undrawn item.

Consumer credit risk management

Consumer portfolios are managed at the portfolio or homogeneous-pool level. The consumer credit risk management establishes product program criteria and proposal for approval by the Bank's Board of Directors or delegate authorities. For effective risk control and consistency in credit decisions, the Bank and its subsidiaries leverage risk technology and digitalization in the credit decision process. The credit risk assessment model is developed in accordance with the Bank of Thailand's regulations and international standards.

The credit risk exposure of consumer credit portfolio can be shown as follows:

Credit risk exposure by products as at December 31, 2020

Unit: Million Baht

Portfolio	CONSOLIDATED FINANCIAL STATEMENTS		
	ECL staging		
	Stage 1	Stage 2	Stage 3
Business banking	29,520	10,006	3,718
Mortgage	254,658	17,490	11,913
Personal	10,423	5,608	1,076
Auto business	372,494	47,438	7,945
Krungsri consumer	110,198	11,798	6,471
Others*	54,633	272	806
Gross carrying amount	831,926	92,612	31,929
Expected credit loss	23,097	12,686	17,315

* Foreign subsidiaries, Securities, Insurance brokers etc.

Related collaterals as at December 31, 2020

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		
Credit-impaired asset (stage 3)	GCA	ECL	Collateral value*
Business banking	3,718	1,544	2,038
Mortgage	11,913	4,873	7,336
Personal	1,076	1,040	-
Auto business	7,945	4,935	-
Krungsri consumer	6,471	4,121	-
Others**	806	802	20

* Value of collateral allocated to on balance sheet and available undrawn item.

** Foreign subsidiaries, Securities, Insurance brokers etc.

Measuring credit risk

In measuring credit risk of loans and advances at a counterparty level, the Bank considers three components: (i) the "Probability of Default" (PD) by the client or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely future development, from which the Bank derives the "Exposure at Default" (EAD); and (iii) the likely recovery ratio on the defaulted obligations or the "Loss Given Default" (LGD). The models are reviewed regularly to monitor their robustness relative to actual performance and amended as necessary to optimize their effectiveness.

These credit risk measurements are required and served as the foundation to determine expected credit loss (ECL) under TFRS 9.

(i) Probability of Default
The Bank assesses the probability of default of individual counterparties or the collective group of customers that share similar risk characteristic using internal rating tools/scorecard tailored to the various categories of counterparty/portfolio. Such models have been developed internally and combine statistical analysis with risk management judgment. The rating/scoring methods are subject to an annual validation and recalibration so that they reflect the latest projection in the light of all observed defaults.

(ii) Exposure at Default
Exposure at default is based on the amounts expected to be owed at the time of default.

(iii) Loss Given Default
Loss given default represents the Bank and its subsidiaries' expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure. It typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.

Incorporation of forward-looking information

Where applicable, the Bank and its subsidiaries incorporate forward looking adjustment in credit risk factors in measuring the customer credit risk, considering the impact of multiple probability-weighted future forecast economic scenario. The three macro-economic scenarios are applied to reflect an unbiased probability weighted range of possible future outcomes; namely

- Base scenario: Representing the most-likely condition that continue to prevail, and
- Upper and lower scenario: These scenarios are set in relative to base scenario and provide the outlook of better and worse case economic outlook based on subject matter expert best judgement.

In certain circumstance, where the incorporation of forward looking information cannot be explicitly reflected through the expected credit loss model or economic scenario, the Bank and its subsidiaries may set aside the additional provision based on the supporting rationale and such treatment shall not contradict with the applicable accounting standard and the Bank of Thailand regulations.

Credit risk management and review

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

Reserve adequacy

The adequacy of reserves is reviewed and approved by the Chief Risk Officer and the Chief Financial Officer. Specific reserves are allocated to portfolios as required, with regular stress tests conducted to ensure that reserves are adequate.

Credit risk audit

An independent central unit under the Internal Audit Group of the Bank is responsible for examining and reviewing all credit risk management operations, with scope and plans approved by the Audit Committee and the Board of Directors.

The audit and review scopes cover overall credit risk management, correctness of risk ratings, compliance with credit covenants, and compliance with the Bank's credit policies, along with relevant Bank of Thailand criteria.

Credit information monitoring and management

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

Stress testing

The Bank and its subsidiaries conduct stress tests based on our stress test policy for both commercial and consumer portfolios. Stress tests use past historical trends as well as future macroeconomic projections to determine potential losses and their possible impact on the Bank's capital. Regulator-required stress test results are reported to the Capital Management Subcommittee, the Risk Management Committee, the Risk and Compliance Committee, and the Board of Directors. Internal stress test results are conducted periodically and reported to the Capital Management Subcommittee. We have strategies and action plans in place to prevent any adverse effects.

Financial business group management

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

Non-performing loan management

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

5.4 Capital funds

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

The Bank maintains its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by the BOT. The Bank is required to calculate its Capital Funds in accordance with Basel III. As at December 31, 2020 and 2019, the Consolidated Supervision and the Bank's total capital funds and capital adequacy ratios can be categorized as follows:

Unit: Million Baht

	Basel III Consolidated Supervision	
	2020	2019
Tier 1 capital		
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	73,558
Premium on share capital	52,879	52,879
Legal reserve	7,280	6,871
Cumulative profit after appropriation	141,486	121,496
Other reserves		
Other comprehensive income	9,500	9,429
Other items from owner changes	(5,218)	(5,218)
Deduction items from Common Equity Tier 1 capital	(28,807)	(26,038)
Total Common Equity Tier 1 capital	250,678	232,977
Additional Tier 1 capital		
Non-Controlling interest	4,293	3,762
Total Tier 1 capital	254,971	236,739
Tier 2 capital		
Subordinated debentures	60,811	60,811
General provision	18,957	19,458
Non-Controlling interest	967	863
Total Tier 2 capital	80,735	81,132
Total capital fund	335,706	317,871

Capital adequacy ratio (%)

	BOT regulatory Minimum requirement*		Basel III Consolidated Supervision	
	2020	2019	2020	2019
Total Common Equity Tier 1 capital / Total risk weighted assets	8.00	7.50	14.26	13.05
Total Tier 1 capital / Total risk weighted assets	9.50	9.00	14.51	13.26
Total capital / Total risk weighted assets	12.00	11.50	19.10	17.81
Capital after deducting capital add-on arising from Single Lending Limit (Million Baht)			335,706	317,871
Total capital after deducting capital add-on/ risk weighted assets			19.10	17.81

* BOT requires the Bank to maintain higher capital for the conservation buffer at 2.5%.

BOT requires the Bank qualified as Domestic Systemically Important Banks ("D-SIBs") to maintain higher capital to better absorb losses from their operations and increase the Common Equity Tier 1 Ratio at 0.5% on January 1, 2019 and 1% on January 1, 2020.

Unit: Million Baht

	Basel III The Bank	
	2020	2019
Tier 1 capital		
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	73,558
Premium on share capital	52,879	52,879
Legal reserve	7,280	6,871
Cumulative profit after appropriation	73,569	66,056
Other reserves		
Other comprehensive income	10,537	10,544
Other items from owner changes	(5,218)	(5,218)
Deduction items from Common Equity Tier 1 capital	(14,422)	(13,018)
Total Common Equity Tier 1 capital	198,183	191,672
Additional Tier 1 capital	-	-
Total Tier 1 capital	198,183	191,672
Tier 2 capital		
Subordinated debentures	60,811	60,811
General provision	17,264	14,526
Total Tier 2 capital	78,075	75,337
Total capital fund	276,258	267,009

Capital adequacy ratio (%)

	BOT regulatory Minimum requirement*		Basel III The Bank	
	2020	2019	2020	2019
Total Common Equity Tier 1 capital / Total risk weighted assets	8.00	7.50	12.85	11.89
Total Tier 1 capital / Total risk weighted assets	9.50	9.00	12.85	11.89
Total capital / Total risk weighted assets	12.00	11.50	17.92	16.56
Capital after deducting capital add-on arising from Single Lending Limit (Million Baht)			276,258	267,009
Total capital after deducting capital add-on/ risk weighted assets			17.92	16.56

* BOT requires the Bank to maintain higher capital for the conservation buffer at 2.5%.

BOT requires the Bank qualified as Domestic Systemically Important Banks ("D-SIBs") to maintain higher capital to better absorb losses from their operations and increase the Common Equity Tier 1 Ratio at 0.5% on January 1, 2019 and 1% on January 1, 2020.

Disclosure of capital maintenance information of the Financial Business Group and the Bank under the BOT's Notification regarding the Disclosure of the Capital Requirement of the Financial Business Group and regarding the Disclosure of the Capital Requirement of Commercial Banks with details as follows:

Location of disclosure	www.krungsri.com
Date of disclosure	October 30, 2020
Information as at	June 30, 2020

The disclosure as at December 31, 2020 will be provided on or before April 30, 2021 on the above Bank's website as indicated in the BOT's notification.

6. ESTIMATES AND ASSUMPTIONS

Preparation of financial statements in conformity with Thai Financial Reporting Standards principles require management to make estimates and assumptions under certain circumstances. Such estimates and assumptions affect reported amounts of revenues, expenses, assets and liabilities and require the disclosure of contingent assets and liabilities at the date of the financial statements which may differ from these estimates. The significant areas requiring management to make judgments and estimates that affect reported amounts and disclosures are as follows:

6.1 Fair value

For a business acquisition, the Bank's management estimates the fair value of assets, liabilities and other contingent liabilities of the acquiree's identifiable assets and liabilities at the acquisition date. In addition, any adjustments of the initial provision are finalized within 12 months after the acquisition date.

6.2 Allowance for expected credit loss

Significant increase of credit risk: ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. TFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Bank and its subsidiaries take into account qualitative and quantitative reasonable and supportable forward-looking information.

Establishing groups of assets with similar credit risk characteristics
When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Bank and its subsidiaries monitor the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

Models and assumptions used: The Bank and its subsidiaries use various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Determination of life of revolving credit facilities
The Bank and its subsidiaries measure ECL considering the risk of default over the maximum contractual period. However, for financial instruments such as credit cards, revolving credit facilities and overdraft facilities that include both a loan and an undrawn commitment component, the Bank and its subsidiaries' contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank and its subsidiaries' exposure to credit losses to the contractual notice period. For such financial instruments the Group measures ECL over the period that it is exposed to credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period.

Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and determining the forward-looking information relevant to each scenario: When measuring ECL the Bank and its subsidiaries use reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. In its measurement of ECL, the external and internal information are used to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data published by governmental bodies and monetary authorities.

The Bank and its subsidiaries use multiple scenarios to model the non-linear impact of assumptions about macroeconomic factors on ECL. The Bank and its subsidiaries apply probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome. The Bank and its subsidiaries have identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. In addition to the base case scenario the Group uses the probability weighting which is the base scenario has the highest weighting, since it is the most likely outcome and the weighting of the upside and downside scenarios depend on the probability of the scenario.

Probability of default: PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Loss Given Default: LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Fair value measurement and valuation process: In estimating the fair value of a financial asset or a liability, the Bank and its subsidiaries use market-observable data to the extent it is available. Where such Level 1 inputs are not available the Bank and its subsidiaries uses valuation models to determine the fair value of its financial instruments. Refer to Note 7.22 for more details on fair value measurement.

6.3 Allowance for doubtful accounts

Prior to January 1, 2020, the Bank and its subsidiaries estimate the minimum allowance for doubtful accounts in accordance with the BOT's guidelines. In addition, the Bank and its subsidiaries estimate an additional allowance which the management has considered based on the uncollectible loss from past experience, current economic conditions, and the ability to repay loans and accrued interest receivable. The Bank and its subsidiaries consider the value of collateral when deemed the primary source of repayment comes from the sales of the collateral

A significant factor in the determination of the allowance for doubtful accounts is the value of collateral. Collateral pledged typically consists of land, buildings, and buildings under construction. Value of such collateral is based on independently and/or internally performed appraisals.

6.4 Allowance for properties for sale

The Bank and its subsidiaries estimate the allowance for impairment of properties for sale when there is a decline in net realizable value. In consideration of net realizable value, the Bank and its subsidiaries consider the appraised value together with other factors which can affect the realizable value such as related selling expenses, holding costs and discounted future expenses.

6.5 Goodwill

Goodwill is tested for impairment using a fair value method of discounted cash flows on a semi-annual basis.

6.6 Impairment of non-financial assets

The carrying amounts of the Bank and its subsidiaries' assets are reviewed at each financial statements date to determine whether there are any indications of impairment. If any such indication exists, the assets' recoverable amounts are estimated by discounting expected cash flows.

6.7 Provisions

Provisions are recognized as liabilities in the statement of financial position when it is probable that an obligation has been incurred as a result of a past event, and result in the certain likelihood of an outflow of economic benefits to settle the obligation and the amount of such obligation can be reasonably estimated.

6.8 Provision for contingent liabilities

Since January 1, 2020, the Bank provides a provision for contingent liabilities for loan commitment and financial guarantee according to TFRS 9 applying the same methodology as determining allowance for expected credit losses for financial assets of the same debtor.

Prior to January 1, 2020, the Bank provides a provision for contingent liabilities with high credit risk such as loan guarantees, avals or non cancellable contingent liabilities at the same provision rate as that provided for the same debtor on the statement of financial position.

6.9 Significant judgement on classification of joint arrangement

Tesco Lotus Money Services Limited is a company that Ayudhya Capital Services Company Limited (a subsidiary of the Bank) holds 50% of ordinary shares. The decision relating to operation is subject to the approval of the joint venture. The Bank and its subsidiaries classified the investment as a joint venture under TFRS 11 and is accounted for using the equity method accordingly. For Tesco Life Assurance Broker Limited and Tesco General Insurance Broker Limited, they are companies that Tesco Lotus Money Services Limited wholly holds 100% of ordinary shares. Accordingly, Tesco Life Assurance Broker Limited and Tesco General Insurance Broker Limited are classified as a joint venture of the Bank and its subsidiaries.

The Bank holds 50% of ordinary shares of Ngern Tid Lor Company Limited. The decision relating to operation is subject to the approval of the joint venture. The Bank classified the investment as a joint venture under TFRS 11 and is accounted for using the equity method accordingly.

The Bank holds 50% of ordinary shares of SB Finance Company, Inc. The decision relating to operation is subject to the approval of the joint venture. The Bank classified the investment as a joint venture under TFRS 11 and is accounted for using the equity method accordingly.

7. ADDITIONAL INFORMATION

7.1 Additional information of cash flows

7.1.1 Non-cash transactions for the years ended December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Increase in revaluation surplus on investments	390	10	210	10
Amortization of premises appraisal surplus transferred to retained earning	(323)	(296)	(323)	(296)
Increase in changes assets revaluation surplus	-	3,821	-	3,821
Properties for sale debt repayment	21,693	16,709	19,910	14,721
Properties and premises transferred to be properties for sale	118	176	118	176

7.1.2 Changes in liabilities arising from financing activity for the years ended December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Beginning balance	176,410	156,547	139,593	116,694
Effect from first time adoption of TFRS 16	2,364	-	2,707	-
Financing cash flows	(30,364)	19,837	(14,377)	22,865
Addition in the year	1,757	-	1,264	-
Other non-cash items	(946)	26	(42)	34
Ending balance	149,221	176,410	129,145	139,593

7.1.3 Realized and unrealized gains (losses) on foreign exchange

In the preparation of cash flows statements, realized gains (losses) on foreign exchange are based on a cash basis. Unrealized gains (losses) on foreign exchange are based on the translation difference of assets and liabilities in foreign currencies as described in the accounting policies. It is presented as an adjustment to reconcile income before tax to cash received (paid) from operating activities.

7.2 Classification of financial assets and financial liabilities

Classification of financial assets and financial liabilities as at December 31, 2020 consists of the following:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2020					
	Financial instruments measured at fair value through profit or loss	Financial instrument measured at fair value through other comprehensive income	Investment in equity securities designated at fair value through other comprehensive income	Financial instrument measured at amortised cost	Accrual basis for derivatives asset and derivatives liabilities	Total
Financial assets						
Cash	-	-	-	30,333	-	30,333
Interbank and money market items, net	-	-	-	523,385	-	523,385
Financial assets measured at fair value through profit or loss	786	-	-	-	-	786
Derivative assets	30,421	-	-	-	24	30,445
Investments, net	-	148,792	6,847	6,461	-	162,100
Loans to customers and accrued interest receivables, net	-	-	-	1,765,623	-	1,765,623
Others	1	349	-	2,762	-	3,112
Total	31,208	149,141	6,847	2,328,564	24	2,515,784
Financial liabilities						
Deposits	-	-	-	1,834,505	-	1,834,505
Interbank and money market items	-	-	-	243,570	-	243,570
Liability payable on demand	-	-	-	5,607	-	5,607
Derivative liabilities	30,477	-	-	-	2,465	32,942
Debt issued and borrowings	-	-	-	146,119	-	146,119
Provisions	-	-	-	3,125	-	3,125
Others	-	-	-	3,477	-	3,477
Total	30,477	-	-	2,236,403	2,465	2,269,345

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2020					
	Financial instruments measured at fair value through profit or loss	Financial instrument measured at fair value through other comprehensive income	Investment in equity securities designated at fair value through other comprehensive income	Financial instrument measured at amortised cost	Accrual basis for derivatives asset and derivatives liabilities	Total
Financial assets						
Cash	-	-	-	29,215	-	29,215
Interbank and money market items, net	-	-	-	516,194	-	516,194
Financial assets measured at fair value through profit or loss	736	-	-	-	-	736
Derivative assets	30,630	-	-	-	24	30,654
Investments, net	-	143,641	5,438	6,461	-	155,540
Loans to customers and accrued interest receivables, net	-	-	-	1,609,830	-	1,609,830
Others	1	349	-	2,116	-	2,466
Total	31,367	143,990	5,438	2,163,816	24	2,344,635
Financial liabilities						
Deposits	-	-	-	1,819,223	-	1,819,223
Interbank and money market items	-	-	-	224,974	-	224,974
Liability payable on demand	-	-	-	5,606	-	5,606
Derivative liabilities	30,654	-	-	-	2,464	33,118
Debt issued and borrowings	-	-	-	125,951	-	125,951
Provisions	-	-	-	2,340	-	2,340
Others	-	-	-	2,925	-	2,925
Total	30,654	-	-	2,181,019	2,464	2,214,137

7.3 Interbank and money market items, net (Asset)

Interbank and money market items, net (Asset) as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Domestic items				
Bank of Thailand and Financial Institution Development Fund	395,096	214,675	395,096	214,675
Commercial banks	34,665	21,591	32,999	20,026
Specialized financial institutions	22,210	12,032	22,210	12,032
Other financial institutions	16,604	25,620	16,601	25,615
Total	468,575	273,918	466,906	272,348
Add Accrued and undue interest receivables / Accrued interest receivables	46	61	46	61
Less Allowance for expected credit loss / Allowance for doubtful accounts	(426)	(331)	(426)	(331)
Total domestic items	468,195	273,648	466,526	272,078
Foreign items				
US Dollar	18,000	28,813	13,510	26,480
Yen	30,153	20,739	30,153	20,739
Euro	2,986	2,865	2,986	2,865
Other currencies	4,097	5,364	3,063	3,528
Total	55,236	57,781	49,712	53,612
Add Accrued and undue interest receivables / Accrued interest receivables	3	2	-	-
Less Allowance for expected credit loss / Allowance for doubtful accounts	(49)	-	(44)	-
Total foreign items	55,190	57,783	49,668	53,612
Total domestic and foreign items	523,385	331,431	516,194	325,690

7.4 Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss as at December 31, 2020 consist of the following:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
	2020	2020
	Fair Value	Fair Value
Trading financial assets		
Government and state enterprise securities	736	736
Domestic marketable equity securities	28	-
Total	764	736
Other		
Investments	22	-
Total	786	736

7.5 Derivatives

7.5.1 Derivatives - Trading

Fair value and the notional amount classified by type of risk as at December 31, 2020 are as follows:

Unit: Million Baht

Risk type	CONSOLIDATED FINANCIAL STATEMENTS			THE BANK'S FINANCIAL STATEMENTS		
	2020			2020		
	Fair value		Notional Amount	Fair value		Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	17,741	16,722	1,129,242	17,734	16,722	1,128,635
Interest rate	12,678	12,188	605,859	12,896	12,365	611,458
Equity derivatives	2	-	27	-	-	-
Total	30,421	28,910	1,735,128	30,630	29,087	1,740,093

7.5.2 Derivatives - Hedging

7.5.2.1 Cash flow hedge

Fair value and the notional amount classified by type of risk as at December 31, 2020 are as follows:

Unit: Million Baht

Risk type	CONSOLIDATED FINANCIAL STATEMENTS			THE BANK'S FINANCIAL STATEMENTS		
	2020			2020		
	Fair value		Notional Amount	Fair value		Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	-	1,567	16,188	-	1,567	16,188
Total	-	1,567	16,188	-	1,567	16,188

The tables below summarise the derivatives designated as hedging instruments in qualifying cash flow hedge relationships as at December 31, 2020.

Unit: Million Baht

Cash flow hedges	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS					
	December 31, 2020			For the year ended December 31, 2020		
	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument	Line items in the statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognised in profit or loss	Line item in profit or loss that include hedge ineffectiveness
Foreign exchange risk - Cross Currency Interest Rate Swap	5,518	976	Derivative liabilities	284	-	Gain (loss) on financial instrument measured at FVTPL
Foreign exchange and Interest rate risk - Cross Currency Interest Rate Swap	9,312	587	Derivative liabilities	(293)	4	Gain (loss) on financial instrument measured at FVTPL

The amounts relating to items designated as hedged items in qualifying cash flow hedge relationships to manage the exposure of the Bank and subsidiaries to interest rate and foreign currency risk for the year ended December 31, 2020 were as follows:

Unit: Million Baht

Cash flow hedges	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS			
	2020			
	Line item in the statement of financial position in which the hedged item is included	Changes in fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
Foreign exchange risk - Aggregated exposure of Borrowings and Foreign exchange swaps	Interbank and money market items (Liabilities)	284	172	120
Foreign exchange and Interest rate risk - Debt issued and borrowings	Interbank and money market items (Liabilities)/ Debt issued and borrowings	(346)	(263)	(7)

The table below summarises the amounts that have affected the statement of comprehensive income as a result of applying cash flow hedge accounting for the year ended December 31, 2020.

Unit: Million Baht

Cash flow hedges	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS					
	2020					
	Change in the value of the hedging instrument recognised in cash flow hedge reserve	Change in the value of the hedging instrument recognised in cost of hedging reserve	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Cost of hedging amortised to profit or loss	Line items affected in profit or loss because of the reclassification
Foreign exchange risk	172	112	-	251	8	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense
Foreign exchange risk/ Cross Currency Interest rate swap	(263)	(34)	4	(68)	27	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense

The following table shows a reconciliation of the separate components of equity that relate to cash flow hedge relationships for the year ended December 31, 2020.

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
	Cash flow hedge reserve
Cash flow hedges	
Balance as at January 1, 2020	-
Cash flow hedge of Foreign exchange risk / Cross Currency Interest rate swap	-
Effective portion of changes in fair value of cross currency interest rate swaps	91
Cost of hedging reserve	(113)
Amount recycled from reserves to profit or loss	183
Income tax related to amount transferred	(32)
Balance as at December 31, 2020	129

7.5.2.2 Dynamic risk hedge

Readjustment based on an accrual basis and the notional amount classified by type of risk as at December 31, 2020 are as follows:

Unit: Million Baht

Risk type	CONSOLIDATED FINANCIAL STATEMENTS			THE BANK'S FINANCIAL STATEMENTS		
	2020			2020		
	Readjustment based on an accrual basis		Notional Amount	Readjustment based on an accrual basis		Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	24	2,465	143,219	24	2,464	140,816
Total	24	2,465	143,219	24	2,464	140,816

7.5.3 Fair value and the notional amount classified by type of risk as at December 31, 2019 are as follows:

Unit: Million Baht

Risk type	CONSOLIDATED FINANCIAL STATEMENTS			THE BANK'S FINANCIAL STATEMENTS		
	2019			2019		
	Fair value / Readjustment based on an accrual basis		Notional Amount	Fair value / Readjustment based on an accrual basis		Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	13,354	15,602	1,161,424	13,354	15,602	1,161,424
Interest rate	8,487	7,724	767,349	8,542	7,723	771,355
Total	21,841	23,326	1,928,773	21,896	23,325	1,932,779

7.6 Investments, net

Investments, net as at December 31, 2020 and 2019 consist of the following:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020		2020	
	Amortised Cost /Fair Value	Dividend	Amortised Cost /Fair Value	Dividend
Investment in Debt securities measured at amortised cost				
Private enterprise debt securities	6,462		6,462	
Less Allowance for expected credit loss	(1)		(1)	
Total	6,461		6,461	
Investment in debt securities measured at fair value through other comprehensive income				
Government and state enterprise securities	129,704		129,704	
Private enterprise debt securities	19,088		13,937	
Total	148,792		143,641	
Investment in equity securities designated at fair value through other comprehensive income				
Domestic marketable equity securities	5,087	227	5,087	227
Domestic non-marketable equity securities	834	28	349	28
Foreign non-marketable equity securities	926	1	2	-
Total	6,847	256	5,438	255
Total investments, net	162,100		155,540	

Unit: Million Baht

Investment in equity securities derecognition	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS			
	For the year ended December 31, 2020			
	Fair value as at derecognition	Dividend	Gain (loss) from derecognition	Reason for derecognition
Investment in equity securities designated at fair value through other comprehensive income				
Domestic marketable equity securities	1,148	16	(792)	Sale
Total	1,148	16	(792)	

As at December 31, 2020, investments in unit trust of fixed income funds in the consolidated financial statements of Baht 5,151 million were recorded as investment designated at fair value through other comprehensive income that not be reclassified subsequently to profit or loss according to BOT's notification Sor.Nor.Sor. 6/2563 regarding the investment in unit trust of fixed income fund for enhance the liquidity of the money market dated March 25, 2020.

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				THE BANK'S FINANCIAL STATEMENTS			
	2019				2019			
	Cost/ Amortised Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/ Amortised Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities for Trading								
Government and state enterprise securities	2,193	6	-	2,199	2,193	6	-	2,199
Domestic marketable equity securities	3	-	-	3	-	-	-	-
	2,196	6	-	2,202	2,193	6	-	2,199
Add Revaluation allowance	6			-	6			-
Total	2,202			2,202	2,199			2,199
Securities Available-for-Sale								
Government and state enterprise securities	84,655	143	(3)	84,795	84,655	143	(3)	84,795
Private sector's debt securities	11,809	274	-	12,083	11,809	274	-	12,083
Domestic marketable equity securities	6,366	350	(867)	5,849	6,366	350	(867)	5,849
	102,830	767	(870)	102,727	102,830	767	(870)	102,727
Less Revaluation allowance	(103)			-	(103)			-
Less Allowance for impairment	(3)			(3)	(3)			(3)
Total	102,724			102,724	102,724			102,724
Securities Held-to-Maturity								
Private sector's debt securities	12,640				12,640			
Investment in accounts receivable	199				199			
	12,839				12,839			
Less Allowance for impairment	(2)				(2)			
Total	12,837				12,837			
Securities for General Investments								
Domestic non-marketable equity securities	743				314			
Foreign non-marketable equity securities	1				1			
	744				315			
Less Allowance for impairment	(167)				(167)			
Total	577				148			
Total Investments, net	118,340				117,908			

7.7 Investments in subsidiaries and joint ventures, net

Investments in subsidiaries and joint ventures, net as at December 31, 2020 and 2019 consist of the following:

Unit: Million Baht

Company Name	Business Type	Securities Investment Type	CONSOLIDATED FINANCIAL STATEMENTS 2020 Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Investment (Equity Method)	Dividend
Joint ventures							
Ngern Tid Lor Public Company Limited (formerly Ngern Tid Lor Company Limited) [3]	Hire-purchase and motorcycle loans	Common stock	7,800	50.00	3,818	10,027	-
SB Finance Company, Inc.	Personal loans	Common stock	918	50.00	984	872	-
Tesco Lotus Money Services Limited [1]	Credit cards and personal loans	Common stock	2,080	50.00	1,040	3,143	-
Tesco Life Assurance Broker Limited [2]	Life assurance broker	Common stock	12	50.00	-	92	-
Tesco General Insurance Broker Limited [2]	General insurance broker	Common stock	107	50.00	-	231	-
Investments in joint ventures, net					5,842	14,365	-

Unit: Million Baht

Company Name	Business Type	Securities Investment Type	CONSOLIDATED FINANCIAL STATEMENTS 2019 Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Investment (Equity Method)	Dividend
Joint ventures							
Ngern Tid Lor Company Limited	Hire-purchase and motorcycle loans	Common stock Preferred stock	7,800	50.00	3,818	8,911	950
Tesco Lotus Money Services Limited [1]	Credit cards and personal loans	Common stock	2,080	50.00	1,040	2,741	-
Tesco Life Assurance Broker Limited [2]	Life assurance broker	Common stock	12	50.00	-	77	-
Tesco General Insurance Broker Limited [2]	General insurance broker	Common stock	107	50.00	-	223	-
Investments in joint ventures, net					4,858	11,952	950

[1] Indirect holding via Ayudhya Capital Services Company Limited
[2] Indirect holding via Tesco Lotus Money Services Limited
[3] Ngern Tid Lor Company Public Company Limited (formerly Ngern Tid Lor Company Limited) has registered the conversion of preferred shares into common shares on December 18, 2020.

Unit: Million Baht

Company Name	Business Type	Securities Investment Type	THE BANK'S FINANCIAL STATEMENTS 2020 Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Dividend
Subsidiaries						
Ayudhya Development Leasing Company Limited	Hire-purchase and leasing	Common stock	1,235	99.99	3,929	-
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	25,545	100.00	19,880	-
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	5,925	100.00	11,941	-
General Card Services Limited	Credit cards and personal loans	Common stock	2,458	100.00	2,581	-
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	5,906	100.00	6,275	-
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Common stock	100	100.00	100	-
Total Services Solutions Public Company Limited	Collection services	Common stock	401	100.00	1,614	700
Krungsri Asset Management Company Limited	Fund management	Common stock	350	76.59	205	-
Krungsri Ayudhya AMC Limited	Asset management	Common stock	2,700	100.00	4,565	-
Krungsri Securities Public Company Limited	Securities	Common stock	1,350	99.84	1,497	-
Krungsri Nimble Company Limited	Factoring and information technology services	Common stock	300	100.00	300	-
Krungsri Finnovate Company Limited	Venture capital	Common stock	1,500	100.00	1,500	-
Hattha Bank Plc. (formerly Hattha Kaksekar Limited)	Commercial Bank (formerly Micro finance)	Common stock	3,748	100.00	8,926	-
Investments in subsidiaries					63,313	700
Joint venture						
Ngern Tid Lor Public Company Limited (formerly Ngern Tid Lor Company Limited) (3)	Hire-purchase and motorcycle loans	Common stock	7,800	50.00	3,818	-
SB Finance Company, Inc.	Personal loans	Common stock	918	50.00	984	-
Investments in subsidiaries and joint venture					68,115	700
Less Allowance for impairment					(6,682)	-
Investments in subsidiaries and joint venture, net					61,433	700

Unit: Million Baht

Company Name	Business Type	Securities Investment Type	THE BANK'S FINANCIAL STATEMENTS 2019 Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Dividend
Subsidiaries						
Ayudhya Development Leasing Company Limited	Hire-purchase and leasing	Common stock	1,235	99.99	3,929	-
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	25,545	100.00	19,880	2,682
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	5,925	100.00	11,941	-
General Card Services Limited	Credit cards and personal loans	Common stock	2,458	100.00	2,581	-
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	5,906	100.00	6,275	-
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Common stock	100	100.00	100	-
Total Services Solutions Public Company Limited	Collection services	Common stock	401	100.00	1,614	-
Krungsri Asset Management Company Limited	Fund management	Common stock	350	76.59	205	443
Krungsri Ayudhya AMC Limited	Asset management	Common stock	2,700	100.00	4,565	-
Krungsri Securities Public Company Limited	Securities	Common stock	1,350	99.84	1,497	-
Krungsri Nimble Company Limited	Factoring and information technology services	Common stock	300	100.00	300	-
Krungsri Finnovate Company Limited	Venture capital	Common stock	1,500	100.00	1,500	-
Hattha Kaksekar Limited	Micro finance	Common stock	2,536	100.00	7,713	-
Investments in subsidiaries					62,100	3,125
Joint venture						
Ngern Tid Lor Company Limited	Hire-purchase and motorcycle loans	Common stock / Preferred stock	7,800	50.00	3,818	2,050
Investments in subsidiaries and joint venture					65,918	5,175
Less Allowance for impairment					(5,962)	-
Investments in subsidiaries and joint venture, net					59,956	5,175

On October 20, 2020, the BOT and other relevant regulators in Philippines approved the Bank to acquire 50% of paid up and registered shares of SB Finance Company, Inc ("SBF"), operating consumer finance business in Philippines, from Security Bank Corporation ("SBC") to be in accordance with the Annual General meeting of Shareholders No. 108 held on July 30, 2020.

The acquisition date is on October 20, 2020. The Bank invested 50% of all registered and issued shares of SBF at cost amounted to Baht 984 million and the book value of net assets of all registered and issued shares (100%) of SBF was Baht 536 million.

The initial accounting for the acquisition of SBF has only been provisionally determined as at October 20, 2020. At the date of finalization of these financial statements, the fair value and other calculations has not been finalized. The Bank and its joint venture are in the process of adjusting the fair value and other calculations which is still in 1 year period from the acquisition date.

For the period from October 20, 2020 (the acquisition date) to December 31, 2020, SBF contributed the revenue of Baht 179 million and loss before tax of Baht 186 million, respectively.

On February 28, 2019, the Bank sold 50% of its interest in Ngern Tid Lor Company Limited ("NTL"), a subsidiary, reducing its ownership interest to 50%, and recognised profit on sales of the subsidiary of Baht 4,290 million and Baht 5,019 million in the consolidated financial statements and the Bank financial statements, respectively. The Bank had changed the classification of investment in NTL from subsidiary to joint venture. The fair value of the Bank's retained interest in joint venture at the date when control was changed was Baht 8,027 million, which became the carrying value of the Bank's interest in the joint venture at that date in the consolidated financial statements. The difference of fair value was recognised as a profit on the change of control of a subsidiary of Baht 4,335 million which is included in "Gain on investments, net" in the consolidated statements of profit or loss and other comprehensive income.

The summarized financial information of joint ventures

Net profit and total comprehensive income of joint ventures for the years ended December 31, 2020 and 2019 are as follow:

Unit: Million Baht

	2020		2019	
	Net profit	Total comprehensive income	Net profit	Total comprehensive income
Joint ventures	3,160	3,145	2,850	2,831

DISCLOSURE OF THE STATEMENTS OF CASH FLOWS OF ASSET MANAGEMENT COMPANY

KRUNGSRI AYUDHYA AMC LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Million Baht

	2020	2019
Cash flows from operating activities		
Income (loss) before income tax	71	(2)
Adjustments to reconcile income to cash provided (paid) from operating activities		
Loss on impairment of properties for sale	70	20
Depreciation and amortization	7	1
Gain on sales of properties for sale	(92)	(72)
Loss from written-off equipment	1	-
Loss on impairment of other assets	10	-
Provision for contingent liabilities	2	30
Employment benefits expenses	2	13
Interest income, net	(103)	(67)
Interest received	103	67
Income tax paid	(7)	(20)
Income (loss) from operations before changes in operating assets and liabilities	64	(30)
Decrease in operating assets		
Loans to customers	30	-
Investment in receivables	-	12
Properties for sale	337	211
Other assets	111	162
Decrease in operating liabilities		
Other liabilities	(71)	(35)
Net cash from operating activities	471	320
Cash flows from investing activities		
Net cash from investing activities	-	-
Cash flows from financing activities		
Cash paid for repayment of liabilities under finance lease agreements	(7)	-
Net cash from financing activities	(7)	-
Net increase in cash and cash equivalents	464	320
Cash and cash equivalents as at January 1,	2,049	1,729
Cash and cash equivalents as at December 31,	2,513	2,049

7.8 Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables, net as at December 31, 2020 and 2019 are as follows:

(1) Classified by products

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
	2020	2020
Overdrafts	60,770	60,726
Loan against contract	963,252	897,927
Trade bill	303,113	322,895
Hire-purchase receivables	424,508	376,593
Lease contract receivables	6,534	2,520
Credit card receivables	72,069	-
Others	2,689	1,548
Total Loans to customers	1,832,935	1,662,209
Add Accrued and undue interest receivables	9,095	6,830
Loans to customers and accrued interest receivables	1,842,030	1,669,039
Less Allowance for expected credit loss	(76,407)	(59,209)
Loans to customers and accrued interest receivable, net	1,765,623	1,609,830

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
	2019	2019
Overdrafts	71,413	71,364
Loan against contract	921,151	873,821
Trade bill	322,302	342,969
Hire-purchase receivables	503,174	444,735
Lease contract receivables	12,579	3,599
Credit card receivables	73,302	-
Others	5,441	4,189
Total	1,909,362	1,740,677
Less Deferred revenue	(91,485)	(78,906)
Loans to customers after deferred revenue, net	1,817,877	1,661,771
Add Accrued interest receivables	4,483	2,481
Loans to customers and accrued interest receivable after deferred revenue, net	1,822,360	1,664,252
Less Allowance for doubtful accounts		
1) BOT requirement:		
- Individual approach	(29,826)	(25,515)
- Collective approach	(13,125)	(11,202)
2) Surplus reserve	(22,759)	(14,526)
Less Revaluation allowance for debt restructuring	(1,674)	(155)
Total loans to customers, net	1,754,976	1,612,854

(2) Classified by residence of debtors

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Domestic	1,774,889	1,764,775	1,644,433	1,639,924
Foreign	58,046	53,102	17,776	21,847
Total	1,832,935	1,817,877	1,662,209	1,661,771

(3) Classified by type of classification

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS	
	2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Stage 1 Performing	1,651,700	32,982*
Stage 2 Under-performing	143,545	18,214
Stage 3 Non-performing	46,785	25,211
Total	1,842,030	76,407

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS	
	2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Stage 1 Performing	1,505,603	26,356*
Stage 2 Under-performing	126,444	14,285
Stage 3 Non-performing	36,992	18,568
Total	1,669,039	59,209

* The Bank and its subsidiaries manage excess reserves in accordance with the BOT's guidelines, BOT. ForNorSor. (23) Wor. 1603/2562 by gradually reducing excess reserves on the first day within 5 years to be in compliance with TFRS 9 and as appropriate to be in line with the bank's business operations. In 2020, the Bank and its subsidiaries release the excess reserve on the first day and booking management overlay in preparation for the economic condition under COVID-19.

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2019			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Used for Calculation Allowance	% Used for Calculation Allowance[3]	Allowance for Doubtful Accounts[4]
1. Minimum allowance per BOT guideline				
Normal	1,718,385	1,135,386	1, 3	13,758
Special mention	62,641	46,068	2, 22	7,799
Substandard	12,257	8,585	55, 100	6,306
Doubtful	6,531	4,194	48, 100	3,217
Doubtful of loss	22,546	9,713	100	11,871
Total	1,822,360	1,203,946		42,951[1]
2. Surplus Reserve				22,759[2]
Total				65,710

(1) Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at December 31, 2019 of Baht 13,125 million.
(2) Including allowance for doubtful accounts of loans granted to subsidiaries as at December 31, 2019 at the rate of 1% of Baht 69,137 million equal to Baht 691 million which are not eliminated but treated as surplus reserve in the consolidated financial statements.
(3) % set up are the minimum rates required by the BOT for loans to customers and the rates used for the collective approach valuation.
(4) Excluding revaluation allowance for debt restructuring as at December 31, 2019, of Baht 1,674 million and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2019 of Baht 331 million.

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2019			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Used for Calculation Allowance	% Used for Calculation Allowance[3]	Allowance for Doubtful Accounts [4]
1. Minimum allowance per BOT guideline				
Normal	1,571,386	999,161	1	11,772
Special mention	57,323	41,004	2, 12	7,232
Substandard	9,319	5,694	50, 100	4,318
Doubtful	6,307	4,005	56, 100	3,074
Doubtful of loss	19,917	8,109	100	10,321
Total	1,664,252	1,057,973		36,717 [1]
2. Surplus Reserve				14,526[2]
Total				51,243

(1) Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at December 31, 2019 of Baht 11,202 million.
(2) Including allowance for doubtful accounts of loan granted to subsidiaries as at December 31, 2019 at the rate of 1% of Baht 69,137 million equal to Baht 691 million.
(3) % set up are the minimum rates required by the BOT for loans to customers and the rates used for the collective approach valuation.
(4) Excluding revaluation allowance for debt restructuring as at December 31, 2019 of Baht 155 million and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2019 of Baht 331 million.

For the years ended December 31, 2020 and 2019, the Bank entered into agreements to sell non-performing loans (NPLs) to the third party as follows:

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
	2020	2019
Book value	1,797	930
Net book value	872	633
Sale price	872	633

As at December 31, 2020, non-performing loans are defined as Stage 3 Non-performing loan accounts in accordance with the BOT's Notification Sor.Nor.Sor. 23/2561, regarding the "Classification and provision criteria of financial institution", dated October 31, 2018.

As at December 31, 2020, the Bank and Krungsri Ayudhya AMC Limited ("AMC") had non-performing loans which included interbank and money market items as follows:

Unit: Million Baht

	2020		
	The Bank	AMC	The Bank and AMC
Non-performing loans	36,416	379	36,795
Percentage of total loans	1.72	100.00	1.74

As at December 31, 2019, the Bank and Krungsri Ayudhya AMC Limited ("AMC") had non-performing loans which included interbank and money market items as follows:

Unit: Million Baht

	2019		
	The Bank	AMC	The Bank and AMC
Non-performing loans	35,542	432	35,974
Percentage of total loans	1.84	100.00	1.86

As at December 31, 2020 and 2019, the Bank and its subsidiaries' non-performing loans are Baht 45,672 million and Baht 41,334 million, respectively.

(4) Modified loans to customers and trouble debt restructuring

For the year ended December 31, 2020, loans to customers that were modified while they had a loss allowance measured at an amount equal to lifetime ECL as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
	2020	2020
Loans to customers modified during the year *		
Amortised cost before modification	21,405	18,061
Net modification loss	197	115
Loans to customers modified since initial recognition		
Gross carrying amount of loans to customers for which loss allowance has changed in the year from lifetime to 12-month ECL cost after modification	1,972	1,912

* This excluded loans to customers modified under BOT's relief program.

(5) Lease receivables (Included hire-purchase and finance lease receivables)

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2020			
	Amount due per agreements			
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	122,191	330,917	62,675	515,783
Less Unearned interest income				(84,741)
Present value of the minimum lease payments				431,042
Less Allowance for expected credit loss				(23,866)
Total lease receivables, net				407,176

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2019			
	Amount due per agreements			
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	122,617	326,983	66,153	515,753
Less Unearned interest income				(91,430)
Present value of the minimum lease payments				424,323
Less Allowance for doubtful accounts				(14,455)
Total lease receivables, net				409,868

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2020			
	Amount due per agreements			
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	97,804	297,605	58,103	453,512
Less Unearned interest income				(74,399)
Present value of the minimum lease payments				379,113
Less Allowance for expected credit loss				(20,030)
Total lease receivables, net				359,083

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2019			
	Amount due per agreements			
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	97,083	294,058	57,193	448,334
Less Unearned interest income				(78,865)
Present value of the minimum lease payments				369,469
Less Allowance for doubtful accounts				(11,073)
Total lease receivables, net				358,396

7.9 Allowance for expected credit loss

Allowance for expected credit loss as at December 31, 2020 are as follows:

Unit: Million Baht

Loans to customers measured at amortised cost	CONSOLIDATED FINANCIAL STATEMENTS				
	2020				
	Allowance for expected credit loss				
	12-month ECL	Lifetime ECL- not credit impaired	Lifetime ECL-credit impaired	Allowance for doubtful accounts	Total
Balance as at December 31, 2019	-	-	-	65,710	65,710
Impact of adoption of TFRS 9	22,030	19,622	25,978	(65,710)	1,920
Balance as at January 1, 2020	22,030	19,622	25,978	-	67,630
Transfer between stage	13,735	(21,854)	8,119	-	-
Net remeasurement of loss allowance	(6,330)	24,970	11,893	-	30,533
New financial assets originated or purchased	7,408	208	758	-	8,374
Financial assets that have been derecognised	(3,861)	(4,732)	(21,537)	-	(30,130)
Balance as at December 31, 2020	32,982	18,214	25,211	-	76,407

Unit: Million Baht

Loans to customers measured at amortised cost	THE BANK'S FINANCIAL STATEMENTS				
	2020				
	Allowance for expected credit loss				
	12-month ECL	Lifetime ECL- not credit impaired	Lifetime ECL-credit impaired	Allowance for doubtful accounts	Total
Balance as at December 31, 2019	-	-	-	51,243	51,243
Impact of adoption of TFRS 9	15,922	15,462	20,156	(51,243)	297
Balance as at January 1, 2020	15,922	15,462	20,156	-	51,540
Transfer between stage	10,755	(14,086)	3,331	-	-
Net remeasurement of loss allowance	(3,304)	16,558	9,741	-	22,995
New financial assets originated or purchased	5,824	206	754	-	6,784
Financial assets that have been derecognised	(2,841)	(3,855)	(15,414)	-	(22,110)
Balance as at December 31, 2020	26,356	14,285	18,568	-	59,209

Allowance for doubtful accounts as at December 31, 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS						
	2019						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	12,418	6,375	5,148	2,787	13,322	19,741	59,791
Doubtful accounts	1,496	3,276	7,990	5,921	5,294	3,186	27,163
Bad debts written off	(138)	(1,852)	(6,829)	(5,487)	(6,444)	(100)	(20,850)
Bad debts written off from sales of NPLs	-	-	-	-	(298)	-	(298)
Others	(18)	-	(3)	(4)	(3)	(68)	(96)
Ending balance	13,758	7,799	6,306	3,217	11,871	22,759	65,710

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS						
	2019						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	10,911	5,811	3,494	2,409	11,457	11,614	45,696
Doubtful accounts	999	3,273	3,023	6,152	2,282	2,913	18,642
Bad debts written off	(138)	(1,852)	(2,199)	(5,487)	(3,120)	-	(12,796)
Bad debts written off from sales of NPLs	-	-	-	-	(298)	-	(298)
Others	-	-	-	-	-	(1)	(1)
Ending balance	11,772	7,232	4,318	3,074	10,321	14,526	51,243

The Bank and its subsidiaries recorded allowance for expected credit loss / allowance for doubtful accounts in the financial statements as follows:

Unit: Million Baht

	Allowance for expected credit loss*	Allowance fo doubtful accounts**
	2020	2019
Consolidated financial statements	79,981	67,715
The Bank and Krungsri Ayudhya AMC Limited	62,261	52,016
The Bank's financial statements	61,997	51,729

* Such allowance for expected credit loss consists of allowance for expected credit loss for loans to customers and accrued interest receivables, allowance for expected credit loss for interbank and money market items and allowance for expected credit loss for loan commitments and financial guarantee contracts.

** Such allowance for doubtful accounts consists of allowance for doubtful accounts for loans to customers and accrued interest receivables, allowance for doubtful accounts for interbank and money market items and revaluation allowance for debt restructuring.

As at December 31, 2020 and 2019, the Bank and its subsidiaries had loans to customers and accrued interest receivables to companies which have certain problems in financial position and result of operations as defined in the Guideline of SET dated July 8, 1998 regarding the disclosure of asset quality and related party transactions and the allowance for such loans as follows:

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS			
	2020			
	Number	Outstanding Balance	Collateral	Allowance for Expected Credit Loss
Companies subject to be delisted by SET	2	1	-	-
Total	2	1	-	-

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS			
	2019			
	Number	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	2	1	-	-
Total	2	1	-	-

7.10 Properties for sale, net

Properties for sale, net as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

Type of Properties for Sale	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2020	Acquisition	Disposition	Balance as at December 31, 2020
1. Assets acquired from debt repayment				
1.1 Immovable	3,543	329	(494)	3,378
1.2 Movable	1,237	21,363	(21,252)	1,348
Total	4,780	21,692	(21,746)	4,726
2. Others	283	116	(58)	341
Total properties for sale	5,063	21,808	(21,804)	5,067
Less Provision for impairment	(1,563)	(7,596)	7,458	(1,701)
Total properties for sale	3,500	14,212	(14,346)	3,366

Unit: Million Baht

Type of Properties for Sale	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2019	Acquisition	Disposition	Balance as at December 31, 2019
1. Assets acquired from debt repayment				
1.1 Immovable	3,702	232	(391)	3,543
1.2 Movable	1,208	16,477	(16,448)	1,237
Total	4,910	16,709	(16,839)	4,780
2. Others	160	176	(53)	283
Total properties for sale	5,070	16,885	(16,892)	5,063
Less Provision for impairment	(1,592)	(943)	972	(1,563)
Total properties for sale	3,478	15,942	(15,920)	3,500

Unit: Million Baht

Type of Properties for Sale	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2020	Acquisition	Disposition	Balance as at December 31, 2020
1. Assets acquired from debt repayment				
1.1 Immovable	2,232	330	(143)	2,419
1.2 Movable	1,100	19,580	(19,477)	1,203
Total	3,332	19,910	(19,620)	3,622
2. Others	282	116	(58)	340
Total properties for sale	3,614	20,026	(19,678)	3,962
Less Provision for impairment	(1,219)	(6,457)	6,378	(1,298)
Total properties for sale	2,395	13,569	(13,300)	2,664

Unit: Million Baht

Type of Properties for Sale	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2019	Acquisition	Disposition	Balance as at December 31, 2019
1. Assets acquired from debt repayment				
1.1 Immovable	2,210	226	(204)	2,232
1.2 Movable	975	14,495	(14,370)	1,100
Total	3,185	14,721	(14,574)	3,332
2. Others	160	176	(54)	282
Total properties for sale	3,345	14,897	(14,628)	3,614
Less Provision for impairment	(1,157)	(122)	60	(1,219)
Total properties for sale	2,188	14,775	(14,568)	2,395

Immovable assets for sale classified by external and internal appraisers as at December 31, 2020 and 2019 consist of the following:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Immovable assets-Foreclosed assets				
Appraised by external appraisers	1,394	1,394	1,339	1,339
Appraised by internal appraisers	1,984	2,149	1,080	893
Total	3,378	3,543	2,419	2,232

7.11 Premises and equipment, net

Premises and equipment, net as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2020	Effect from adoption TFRS 16	Increase	Decrease	Other	Balance as at December 31, 2020
Land						
Cost	4,246	5	900	(11)	31	5,171
Appraisal increase (Year 2019)	9,434	-	-	(88)	-	9,346
Appraisal decrease (Year 2019)	(20)	-	-	-	-	(20)
Premises						
Cost	9,785	2,325	1,198	(340)	27	12,995
Appraisal increase (Year 2019)	16,305	-	-	(415)	-	15,890
Appraisal decrease (Year 2019)	(55)	-	-	-	-	(55)
Equipment	14,861	40	971	(833)	(29)	15,010
Leasehold improvement	3,375	-	253	(87)	-	3,541
Total	57,931	2,370	3,322	(1,774)	29	61,878
Less Accumulated depreciation						
Land	-	-	(3)	-	-	(3)
Premises						
- Cost	(4,987)	-	(1,360)	312	(24)	(6,059)
- Appraisal increase (Year 2019)	(12,456)	-	(311)	403	-	(12,364)
Equipment	(10,040)	-	(1,602)	605	10	(11,027)
Leasehold improvement	(2,093)	-	(284)	68	-	(2,309)
Total	(29,576)	-	(3,560)	1,388	(14)	(31,762)
Construction in progress	674	-	408	-	(1)	1,081
Premises and equipment, net	29,029					31,197

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2019	Increase	Decrease	Other	Balance as at December 31, 2019
Land					
Cost	4,276	-	(30)	-	4,246
Appraisal increase (Year 2019)	7,061	2,485	(112)	-	9,434
Appraisal decrease (Year 2019)	(37)	-	17	-	(20)
Premises					
Cost	9,746	144	(75)	(30)	9,785
Appraisal increase (Year 2019)	11,624	4,917	(236)	-	16,305
Appraisal decrease (Year 2019)	(84)	-	29	-	(55)
Equipment	15,928	940	(1,944)	(63)	14,861
Leasehold improvement	3,191	218	(82)	48	3,375
Total	51,705	8,704	(2,433)	(45)	57,931
Less Accumulated depreciation					
Premises					
- Cost	(4,681)	(367)	53	8	(4,987)
- Appraisal increase (Year 2019)	(8,814)	(3,865)	224	(1)	(12,456)
Equipment	(10,256)	(1,681)	1,832	65	(10,040)
Leasehold improvement	(1,843)	(278)	72	(44)	(2,093)
Total	(25,594)	(6,191)	2,181	28	(29,576)
Construction in progress	128	548	-	(2)	674
Premises and equipment, net	26,239				29,029

Unit: Million Baht

	2020	2019
Depreciation for the years	3,560	2,605

As at December 31, 2020 and 2019, the Bank and its subsidiaries had premises and equipment which were fully depreciated but still in use, with the original costs amounting to Baht 10,515 million and Baht 9,577 million, respectively.

As at December 31, 2020 and 2019, the Bank and its subsidiaries had equipment which are under right-of-use asset / finance leases, with the original costs amounting to Baht 4,236 million and Baht 1,090 million, respectively.

Land and premises of the Bank was revalued in 2019 by the independent professional qualified appraisers. The basis of revaluation for land and premises are market value and depreciated replacement cost. The fair value of land and premises are determined as level 3 hierarchy.

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	Balance as at January 1, 2020	Effect from adoption TFRS 16	Increase	Decrease	Other	Balance as at December 31, 2020
Land						
Cost	4,246	5	(1)	(10)	43	4,283
Appraisal increase (Year 2019)	9,434	-	-	(88)	-	9,346
Appraisal decrease (Year 2019)	(20)	-	-	-	-	(20)
Premises						
Cost	9,785	1,930	922	(251)	31	12,417
Appraisal increase (Year 2019)	16,305	-	-	(415)	-	15,890
Appraisal decrease (Year 2019)	(55)	-	-	-	-	(55)
Equipment	10,797	772	726	(440)	(19)	11,836
Leasehold improvement	2,508	-	164	(72)	-	2,600
Total	53,000	2,707	1,811	(1,276)	55	56,297
Less Accumulated depreciation						
Land	-	-	(2)	-	-	(2)
Premises						
- Cost	(4,987)	-	(1,170)	232	(28)	(5,953)
- Appraisal increase (Year2019)	(12,456)	-	(311)	403	-	(12,364)
Equipment	(7,735)	-	(1,435)	365	5	(8,800)
Leasehold improvement	(1,413)	-	(215)	53	-	(1,575)
Total	(26,591)	-	(3,133)	1,053	(23)	(28,694)
Construction in progress	666	-	391	-	-	1,057
Premises and equipment, net	27,075					28,660

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2019	Increase	Decrease	Other	Balance as at December 31, 2019
Land					
Cost	4,276	-	(30)	-	4,246
Appraisal increase (Year 2019)	7,061	2,485	(112)	-	9,434
Appraisal decrease (Year 2019)	(37)	-	17	-	(20)
Premises					
Cost	9,746	144	(75)	(30)	9,785
Appraisal increase (Year 2019)	11,624	4,917	(236)	-	16,305
Appraisal decrease (Year 2019)	(84)	-	29	-	(55)
Equipment	11,900	423	(1,542)	16	10,797
Leasehold improvement	2,383	173	(56)	8	2,508
Total	46,869	8,142	(2,005)	(6)	53,000
Less Accumulated depreciation					
Premises					
- Cost	(4,682)	(367)	53	9	(4,987)
- Appraisal increase (Year 2019)	(8,815)	(3,865)	224	-	(12,456)
Equipment	(8,009)	(1,250)	1,528	(4)	(7,735)
Leasehold improvement	(1,239)	(214)	45	(5)	(1,413)
Total	(22,745)	(5,696)	1,850	-	(26,591)
Construction in progress	123	543	-	-	666
Premises and equipment, net	24,247				27,075

Unit: Million Baht

	2020	2019
Depreciation for the years	3,133	2,110

As at December 31, 2020 and 2019, the Bank had premises and equipment which were fully depreciated but still in use, with the original costs amounting to Baht 8,365 million and Baht 7,525 million, respectively.

As at December 31, 2020 and 2019, the Bank had equipment which are under right-of-use asset / finance leases with the original costs amounting to Baht 3,426 million and Baht 892 million, respectively.

7.12 Goodwill and other intangible assets, net

Goodwill and other intangible assets, net as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2020	Increase	Decrease	Other	Balance as at December 31, 2020
Cost					
Goodwill	12,355	-	-	(9)	12,346
Software	10,957	1,593	(57)	(1)	12,492
Other intangible assets	5,696	3	-	(1)	5,698
Total	29,008	1,596	(57)	(11)	30,536
Accumulated amortization					
Software	(7,057)	(1,296)	45	1	(8,307)
Other intangible assets	(5,028)	(151)	-	1	(5,178)
Total	(12,085)	(1,447)	45	2	(13,485)
Allowance for impairment	(20)	-	-	-	(20)
Goodwill and other intangible assets, net	16,903				17,031

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2019	Increase	Decrease	Other	Balance as at December 31, 2019
Cost					
Goodwill	12,539	-	-	(184)	12,355
Software	9,514	1,718	(266)	(9)	10,957
Other intangible assets	5,741	3	(38)	(10)	5,696
Total	27,794	1,721	(304)	(203)	29,008
Accumulated amortization					
Software	(6,217)	(1,104)	257	7	(7,057)
Other intangible assets	(4,915)	(154)	38	3	(5,028)
Total	(11,132)	(1,258)	295	10	(12,085)
Allowance for impairment	(20)	-	-	-	(20)
Goodwill and other intangible assets, net	16,642				16,903

Unit: Million Baht

	2020	2019
Amortization for the year	1,447	1,258

As at December 31, 2020 and 2019, the Bank and its subsidiaries had intangible assets which were fully amortized but still in use, with the original costs amounting to Baht 5,225 million and Baht 3,774 million, respectively.

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2020	Increase	Decrease	Balance as at December 31, 2020
Cost				
Goodwill	1,054	-	-	1,054
Software	8,969	1,368	(3)	10,334
Other intangible assets	19	-	-	19
Total	10,042	1,368	(3)	11,407
Accumulated amortization				
Software	(5,829)	(1,089)	3	(6,915)
Other intangible assets	(14)	-	-	(14)
Total	(5,843)	(1,089)	3	(6,929)
Allowance for impairment	-	(485)	-	(485)
Goodwill and other intangible assets, net	4,199			3,993

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2019	Increase	Decrease	Balance as at December 31, 2019
Cost				
Goodwill	1,054	-	-	1,054
Software	7,851	1,368	(250)	8,969
Other intangible assets	57	-	(38)	19
Total	8,962	1,368	(288)	10,042
Accumulated amortization				
Software	(5,147)	(924)	242	(5,829)
Other intangible assets	(48)	(4)	38	(14)
Total	(5,195)	(928)	280	(5,843)
Goodwill and other intangible assets, net	3,767			4,199

Unit: Million Baht

	2020	2019
Amortization for the year	1,089	928

As at December 31, 2020 and 2019, the Bank had intangible assets which were fully amortized but still in use, with the original costs amounting to Baht 4,434 million and Baht 3,072 million, respectively.

7.13 Deferred tax

Deferred tax assets and deferred tax liabilities as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Deferred tax assets	4,890	4,479	587	-
Deferred tax liabilities	(686)	(1,823)	-	(803)
Net	4,204	2,656	587	(803)

Movements of deferred tax assets and deferred tax liabilities during the years are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	Balance at January 1, 2020	Effect from adoption TFRS 9 and TFRS 16	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Other	Balance at December 31, 2020
Deferred tax assets						
Impairment of assets	347	(34)	51	(2)	-	362
Loans to customers and accrued interest receivables, net	5,374	200	(280)	-	(6)	5,288
Provisions	1,807	369	98	112	-	2,386
Others	909	33	56	54	(40)	1,012
Total	8,437	568	(75)	164	(46)	9,048
Deferred tax liabilities						
Asset appraisal surplus	2,657	-	(82)	-	-	2,575
Investments	155	37	(1)	68	-	259
Others	2,969	1	(970)	10	-	2,010
Total	5,781	38	(1,053)	78	-	4,844
Deferred tax assets, net	2,656	530	978	86	(46)	4,204

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance at January 1, 2019	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Other	Balance at December 31, 2019
Deferred tax assets					
Impairment of assets	335	13	-	(1)	347
Loans to customers and accrued interest receivables, net	5,565	(186)	-	(5)	5,374
Provisions	1,421	180	206	-	1,807
Others	1,100	(276)	112	(27)	909
Total	8,421	(269)	318	(33)	8,437
Deferred tax liabilities					
Asset appraisal surplus	1,974	(81)	764	-	2,657
Investments	165	1	(11)	-	155
Others	2,012	959	-	(2)	2,969
Total	4,151	879	753	(2)	5,781
Deferred tax assets, net	4,270	(1,148)	(435)	(31)	2,656

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS				
	Balance at January 1, 2020	Effect from adoption TFRS 9 and TFRS 16	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2020
Deferred tax assets					
Impairment of assets	252	(34)	101	(2)	317
Loans to customers and accrued interest receivables, net	1,364	-	(408)	-	956
Provisions	1,493	369	55	115	2,032
Others	487	33	(18)	35	537
Total	3,596	368	(270)	148	3,842
Deferred tax liabilities					
Asset appraisal surplus	2,657	-	(82)	-	2,575
Investments	155	32	(1)	43	229
Others	1,587	-	(1,136)	-	451
Total	4,399	32	(1,219)	43	3,255
Deferred tax assets (liabilities), net	(803)	336	949	105	587

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	Balance at January 1, 2019	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2019
Deferred tax assets				
Impairment of assets	262	(10)	-	252
Loans to customers and accrued interest receivables, net	1,668	(304)	-	1,364
Provisions	1,233	105	155	1,493
Others	473	27	(13)	487
Total	3,636	(182)	142	3,596
Deferred tax liabilities				
Asset appraisal surplus	1,974	(81)	764	2,657
Investments	165	1	(11)	155
Others	1,241	346	-	1,587
Total	3,380	266	753	4,399
Deferred tax assets (liabilities), net	256	(448)	(611)	(803)

7.14 Other assets, net

Other assets, net as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Accrued income	2,450	2,733	1,270	1,317
Prepayment	1,122	1,754	742	825
Other receivables	9,326	10,982	6,696	10,191
Margin call to counterparty	8,906	6,344	8,906	6,344
Others	4,049	1,585	3,612	1,379
Total	25,853	23,398	21,226	20,056

7.15 Deposits

Deposits as at December 31, 2020 and 2019 are as follows:

(1) Classified by product

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Current deposit	41,711	37,336	42,889	38,279
Savings deposit	866,295	599,989	868,227	603,120
Time deposit				
- Less than 6 months	404,168	370,607	403,738	371,897
- 6 months and less than 1 year	64,812	88,673	61,386	86,877
- 1 year and over	457,519	470,280	442,983	458,607
Total	1,834,505	1,566,885	1,819,223	1,558,780

(2) Classified by currency and residence of depositors

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2020			2019		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,691,430	2,280	1,693,710	1,453,774	2,297	1,456,071
US Dollar	67,238	23,414	90,652	41,330	17,961	59,291
Other currencies	24,175	25,968	50,143	15,617	35,906	51,523
Total	1,782,843	51,662	1,834,505	1,510,721	56,164	1,566,885

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2020			2019		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,699,541	1,967	1,701,508	1,463,525	2,012	1,465,537
US Dollar	67,238	2,282	69,520	41,330	2,263	43,593
Other currencies	24,175	24,020	48,195	15,617	34,033	49,650
Total	1,790,954	28,269	1,819,223	1,520,472	38,308	1,558,780

7.16 Interbank and money market items (Liability)

Interbank and money market items (liability) as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Domestic items				
Bank of Thailand and Financial Institution Development Fund	10,933	-	10,933	-
Commercial banks	41,921	41,830	37,418	38,825
Specialized financial institutions	24,896	5,244	14,828	5,244
Other financial institutions	17,643	10,575	22,431	18,370
Total domestic items	95,393	57,649	85,610	62,439
Foreign items				
US Dollar	141,406	188,952	137,604	187,716
Other currencies	6,771	5,520	1,760	1,922
Total foreign items	148,177	194,472	139,364	189,638
Total domestic and foreign items	243,570	252,121	224,974	252,077

7.17 Debt issued and borrowings

Debt issued and borrowings as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

				CONSOLIDATED FINANCIAL STATEMENTS					
				2020			2019		
	Currency	Interest rate (%)	Maturity	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated debentures	THB	3.40 - 3.90	2027 - 2029	60,811	-	60,811	60,811	-	60,811
	USD	7.50 - 9.90	2022 - 2030	-	352	352	-	357	357
Senior debentures	THB	1.44 - 2.44	2021 - 2023	77,865	-	77,865	109,820	-	109,820
	USD	2.99	2026	-	2,103	2,103	-	-	-
	KHR	8.50	2021	-	713	713	-	710	710
Bill of exchange	THB	-	-	1	-	1	1	-	1
Structured note	THB	-	-	-	-	-	35	-	35
Other borrowings	THB	0.00 - 7.15	2021 - 2024	37	919	956	46	969	1,015
	USD	0.00 - 6.74	2021 - 2027	-	3,318	3,318	-	2,918	2,918
				138,714	7,405	146,119	170,713	4,954	175,667

Unit: Million Baht

				THE BANK'S FINANCIAL STATEMENTS					
				2020			2019		
	Currency	Interest rate (%)	Maturity	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated debentures	THB	3.40 - 3.90	2027 - 2029	60,811	-	60,811	60,811	-	60,811
Senior debentures	THB	1.44 - 2.37	2021 - 2023	63,000	-	63,000	78,111	-	78,111
	USD	2.99	2026	-	2,102	2,102	-	-	-
Bill of exchange	THB	-	-	1	-	1	1	-	1
Structured note	THB	-	-	-	-	-	35	-	35
Other borrowings	THB	0.00	2023 - 2024	37	-	37	46	-	46
				123,849	2,102	125,951	139,004	-	139,004

Additional information on debts issued and borrowings is as follows:

1. On August 11, 2016, the Bank issued subordinated debentures No. 1/2016 in amount of Baht 10,000 million for a 10-year and 6-month tenor at the fixed interest rate of 3.5% per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem subordinated debentures on any interest payment date after the fifth anniversary subject to the approval of the BOT.

2. On May 24, 2017, the Bank issued subordinated debentures No. 1/2017 in amount of Baht 17,007 million for a 10-year and 6-month tenor at the fixed interest rate of 3.9% per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem subordinated debentures on any interest payment date after the fifth anniversary subject to the approval of the BOT.

3. On November 17, 2017, the Bank issued subordinated debentures No. 2/2017 in the amount of Baht 14,978 million for a 10-year tenor at the fixed interest rate of 3.4% per annum, payable quarterly in February, May, August, and November of each year. The Bank has the right to redeem subordinated debentures on the fifth anniversary of the issued date or any interest payment date thereafter subject to the approval of the BOT.

4. On June 14, 2019, the Bank issued subordinated debentures No. 1/2019 in the amount of Baht 18,826 million for a 10-year tenor at the fixed interest rate of 3.8% per annum, payable quarterly in March, June, September, and December of each year. The Bank has the right to redeem subordinated debentures on the fifth anniversary of the issued date or any interest payment date thereafter subject to the approval of the BOT.

7.18 Provisions

Provisions for the years ended December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	Balance at January 1, 2019	Increase (Decrease)	Balance at December 31, 2019	Effect from TFRS 9 adoption	Increase (Decrease)	Balance at December 31, 2020
Allowance for expected credit loss for loan commitments and financial guarantee contracts	1,343	(798)	545	2,670	(90)	3,125
Provision for post-employment benefits obligation	5,617	2,583	8,200	-	967	9,167
Others	804	168	972	-	114	1,086
Total	7,764	1,953	9,717	2,670	991	13,378

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	Balance at January 1, 2019	Increase (Decrease)	Balance at December 31, 2019	Effect from TFRS 9 adoption	Increase (Decrease)	Balance at December 31, 2020
Allowance for expected credit loss for loan commitments and financial guarantee contracts	1,343	(798)	545	1,845	(49)	2,341
Provision for post-employment benefits obligation	4,871	2,018	6,889	-	864	7,753
Others	654	77	731	-	40	771
Total	6,868	1,297	8,165	1,845	855	10,865

Post-employment benefits obligation

The Bank and its subsidiaries operate post-employment benefits plans under the Thai Labor Protection Act, which are considered as unfunded defined benefit plans. These plans are recognized as provision in the statement of financial position.

Movements in the present value of the defined benefits obligation for the years ended December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Opening defined benefits obligation	8,200	5,617	6,889	4,871
Past service cost	-	1,125	-	918
Current service cost	657	516	515	412
Interest cost	134	183	112	155
Actuarial (gains) losses				
- Experience	209	113	222	39
- Demographic assumptions	95	(46)	71	(35)
- Financial assumptions	258	964	283	768
Benefit paid	(366)	(269)	(336)	(238)
Transfer in (out) employee from subsidiaries	(1)	(3)	10	(1)
Past service cost curtailments	(19)	-	(13)	-
Closing defined benefit obligation	9,167	8,200	7,753	6,889

On April 5, 2019, the Labor Protection Act (No. 7) B.E. 2562 announced in the Royal Gazette and is effective on May 5, 2019 onwards. This new Thai labor law amend the amount of severance pay for an employee who has worked at least 20 years in accordance with the entity's working rules and regulations to be increased to 400 days at the employee's last wage rate which impact on the post-employee benefit plan. The Bank and its subsidiaries have considered to amend the post-employee benefit plan and recognize the increase of the post-employment benefit obligation as at the financial reporting date and the increase in such severance pay of Baht 1,125 million and Baht 918 million as the expense for the year ended December 31, 2020, in the consolidated financial statements and the Bank's financial statements, respectively.

Actuarial (gains) losses are recognized in other comprehensive income for the years ended December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Included in retained earnings:				
As at 1 January	1,279	248	974	202
Recognized during the years	562	1,031	576	772
As at 31 December	1,841	1,279	1,550	974

Amounts recognized in the statements of profit or loss and other comprehensive income in respect of the defined benefit plans for the years ended December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Past service cost	-	1,125	-	918
Current service cost	657	516	515	412
Interest on obligation	134	183	112	155
	791	1,824	627	1,485

The principal actuarial assumptions used to calculate the obligation under the defined benefit plans as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
	2020	2019
Financial assumptions		
Discount rate	0.51% - 2.98%	1.7% - 2.8%
Salary increase rate	6.0%	6.0%
Retirement age	55 and 60 years	55 and 60 years

Significant actuarial assumptions - Impact on increase (decrease) in defined benefit obligation as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Discount rate - 1% increase	(868)	(761)	(697)	(606)
Discount rate - 1% decrease	991	884	788	700
Salary increase rate - 1% increase	1,230	1,131	1,036	956
Salary increase rate - 1% decrease	(1,099)	(1,009)	(931)	(858)

7.19 Other liabilities

Other liabilities as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Accrued expenses	12,221	17,620	9,372	13,963
Tax payable	4,710	4,520	2,064	2,081
Deposit	3,203	2,954	854	1,126
Unearned income from customer loyalty program	3,118	3,079	-	-
Other payables	12,540	10,873	7,165	5,748
Margin call from counterparty	4,507	1,821	4,507	1,821
Others	3,088	3,356	2,863	2,410
Total	43,387	44,223	26,825	27,149

7.20 Advances received from electronic transactions

According to BOT's Notification No. Sor. Nor. Chor. 7/2561 regarding the "Regulations on Service Business Relating to Electronic Money (e-Money) Services" dated April 16, 2018, the Bank is required to disclose advances received from e-Money Services. As at December 31, 2020 and 2019, the Bank had advances received from e-Money Services, presented as other liabilities, amounting to Baht 137 million and Baht 74 million, respectively.

The BOT Notification No. Sor. Nor. Chor. 2/2562 regarding the "Regulations on Service Business Relating to Electronic Fund Transfer" dated December 20, 2019, the Bank is required to disclose cash advances received from electronic fund transfer transactions. As at December 31, 2020, the Bank had those advances received from electronic fund transfer transactions, presented as liabilities payable on demand amounting to Baht 1,388 million and other liabilities amounting to Baht 1,226 million.

The BOT Notification No. Sor. Nor. Chor. 8/2561 regarding the "Regulations on Service Business Relating to Electronic Fund Transfer" dated April 16, 2018, the Bank is required to disclose advances received from electronic fund transfer transactions. As of December 31, 2019, the Bank had those advances received from electronic fund transfer transactions, presented as liabilities payable on demand amounting to Baht 5 million and other liabilities amounting to Baht 560 million.

The bank has kept advance received from electronic transactions which is a part of cash in the statements of financial position as of December 31, 2020 in the amount of Baht 141 million.

7.21 Offsetting of financial assets and financial liabilities

(1) Offsetting of financial assets and financial liabilities as at December 31, 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS					
	Gross amount	Gross amounts offset in statement of financial position	Net amount presented in statement of financial position	Amounts not offset in statement of financial position		Net amount
				Unqualified contractual offset amounts	Related financial collateral amount	
Financial assets:						
Reverse repurchase agreements	422,293	-	422,293	-	422,293	-
Derivatives assets	28,963	-	28,963	13,646	3,693	11,624
Total	451,256	-	451,256	13,646	425,986	11,624
Financial liabilities:						
Repurchase agreements	36,496	-	36,496	-	36,496	-
Derivatives liabilities	27,102	-	27,102	13,646	8,606	4,850
Total	63,598	-	63,598	13,646	45,102	4,850

(2) Reconciliation of offsetting transactions with line item in statement of financial position as at December 31, 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Net amount presented in the statement of financial position	Item in the statement of financial position	Notes	Carrying amount in the statement of financial position	Carrying amount of financial instruments not in scope of offsetting
Financial assets:					
Reverse repurchase agreements	422,293	Interbank and money market items, net (Asset)	7.3	523,385	101,092
Derivatives assets	28,963	Derivatives assets	7.5	30,445	1,482
Total	451,256			553,830	102,574
Financial liabilities:					
Repurchase agreements	36,496	Interbank and money market items, net (Liability)	7.16	243,570	207,074
Derivatives liabilities	27,102	Derivatives liabilities	7.5	32,941	5,839
Total	63,598			276,511	212,913

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS				
	Net amount presented in the statement of financial position	Item in the statement of financial position	Notes	Carrying amount in the statement of financial position	Carrying amount of financial instruments not in scope of offsetting
Financial assets:					
Reverse repurchase agreements	422,293	Interbank and money market items, net (Asset)	7.3	516,194	93,901
Derivatives assets	28,963	Derivatives assets	7.5	30,654	1,691
Total	451,256			546,848	95,592
Financial liabilities:					
Repurchase agreements	36,496	Interbank and money market items, net (Liability)	7.16	224,974	188,478
Derivatives liabilities	27,102	Derivatives liabilities	7.5	33,118	6,016
Total	63,598			258,092	194,494

7.22 Fair value of Financial assets and Financial liabilities

Fair value is the price that would be received from sell an asset or paid for transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in the absence of a principal market, the most a liquid market where the Bank and its subsidiaries are able to access.

Fair value measurement of financial assets and liabilities are determined according to the following hierarchy:

Level 1 - Quoted price (unadjusted) in active market for identical assets or liabilities that the Bank and its subsidiaries can access at the measurement date

Level 2 - Quoted price in active market for similar assets or liabilities, the quoted price for identical or similar assets in inactive market and other valuation technique where significant inputs used to measure the fair value are observable

Level 3 - Using techniques where significant inputs used to measure the fair value are unobservable

A summary of carrying amount of financial assets and liabilities as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2020			2019		
	Measured at fair value	Not measured at fair value	Total carrying amount	Measured at fair value	Not measured at fair value	Total carrying amount
Financial assets:						
Cash	-	30,333	30,333	-	33,830	33,830
Interbank and money market items, net	-	523,385	523,385	-	331,431	331,431
Financial assets measured at fair value through profit or loss	786	-	786	-	-	-
Derivatives assets	30,421	24	30,445	21,838	3	21,841
Investments, net	155,639	6,461	162,100	104,926	13,414	118,340
Loans to customers and accrued interest receivables, net	-	1,765,623	1,765,623	-	1,754,976	1,754,976
Total	186,846	2,325,826	2,512,672	126,764	2,133,654	2,260,418
Financial liabilities:						
Deposits	-	1,834,505	1,834,505	-	1,566,885	1,566,885
Interbank and money market items	-	243,570	243,570	-	252,121	252,121
Liability payable on demand	-	5,607	5,607	-	3,802	3,802
Derivatives liabilities	30,477	2,465	32,942	19,221	4,105	23,326
Debt issued and borrowings	-	146,119	146,119	-	175,667	175,667
Total	30,477	2,232,266	2,262,743	19,221	2,002,580	2,021,801

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2020			2019		
	Measured at fair value	Not measured at fair value	Total carrying amount	Measured at fair value	Not measured at fair value	Total carrying amount
Financial assets:						
Cash	-	29,215	29,215	-	32,785	32,785
Interbank and money market items, net	-	516,194	516,194	-	325,690	325,690
Financial assets measured at fair value through profit or loss	736	-	736	-	-	-
Derivatives assets	30,630	24	30,654	21,893	3	21,896
Investments, net	149,079	6,461	155,540	104,923	12,985	117,908
Loans to customers and accrued interest receivables, net	-	1,609,830	1,609,830	-	1,612,854	1,612,854
Total	180,445	2,161,724	2,342,169	126,816	1,984,317	2,111,133
Financial liabilities:						
Deposits	-	1,819,223	1,819,223	-	1,558,780	1,558,780
Interbank and money market items	-	224,974	224,974	-	252,077	252,077
Liability payable on demand	-	5,606	5,606	-	3,802	3,802
Derivatives liabilities	30,654	2,464	33,118	19,221	4,104	23,325
Debt issued and borrowings	-	125,951	125,951	-	139,004	139,004
Total	30,654	2,178,218	2,208,872	19,221	1,957,767	1,976,988

Financial assets and liabilities measured at fair value

Classification of financial assets and liabilities measured at fair value by the level of fair value hierarchy as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				THE BANK'S FINANCIAL STATEMENTS			
	2020 Fair value				2020 Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss	28	736	22	786	-	736	-	736
Derivatives assets	-	30,421	-	30,421	-	30,630	-	30,630
Investments in debt securities measured at fair value through other comprehensive income	-	148,792	-	148,792	-	143,641	-	143,641
Investments in equity securities designated at fair value through other comprehensive income	5,087	-	1,760	6,847	5,087	-	351	5,438
Derivative liabilities	-	30,477	-	30,477	-	30,654	-	30,654

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			THE BANK'S FINANCIAL STATEMENTS		
	2019 Fair value			2019 Fair value		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Derivatives assets - trading book	-	21,838	21,838	-	21,893	21,893
Investments - trading	3	2,199	2,202	-	2,199	2,199
Investments - available - for - sale	5,377	97,347	102,724	5,377	97,347	102,724
Derivative liabilities - trading book	-	19,221	19,221	-	19,221	19,221

There are no transfers of financial assets and liabilities measured at fair value between level 1 and level 2 for the years ended December 31, 2020 and 2019.

Valuation technique for financial assets and liabilities measured at fair value are as follows:

Derivatives

The valuation techniques using to determine the fair value of derivatives is dependent on the type of instrument and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards model commonly used by market participants. The data used in the valuation is the observable input e.g. interest rate, forward exchange rate. Credit valuation adjustments are also made against the valuation of derivative products to reflect the possibility that the counterparty may default and the Bank may not receive the full market value of the transactions.

Investments

Investment in domestic debt securities listed in Thai Bond Market Association ("ThaiBMA"), discounted cash flow using ThaiBMA yield curve as the discounted rate to determine the fair value.

Equity securities traded in the SET, the fair value is determined by using the last bid price of SET.

Equity securities not listed in the SET, the fair value is determined by using the latest net book value of invested company.

Investment in unit trust not listed in SET, the fair value is determined by using the net asset value at the reporting date announced by the asset management company.

Financial assets and liabilities not measured at fair value

Fair value of financial assets and liabilities which are not measured at fair value and their fair value hierarchy level classification is summarized as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					THE BANK'S FINANCIAL STATEMENTS				
	2020					2020				
	Fair value				Carrying amount	Fair value				Carrying amount
	Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value		Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value	
Financial assets:										
Cash	-	-	30,333	30,333	30,333	-	-	29,215	29,215	29,215
Interbank and money market items, net	-	-	523,385	523,385	523,385	-	-	516,194	516,194	516,194
Derivatives assets - dynamic hedge	24	-	-	24	24	24	-	-	24	24
Investments in debt securities measured at amortised cost	-	6,467	-	6,467	6,461	-	6,467	-	6,467	6,461
Loans to customers and accrued interest receivables, net	-	-	1,765,623	1,765,623	1,765,623	-	-	1,609,830	1,609,830	1,609,830
Total	24	6,467	2,319,341	2,325,832	2,325,826	24	6,467	2,155,239	2,161,730	2,161,724
Financial liabilities:										
Deposits	1,836,140	-	-	1,836,140	1,834,505	1,820,860	-	-	1,820,860	1,819,223
Interbank and money market items	-	-	243,570	243,570	243,570	-	-	224,974	224,974	224,974
Liability payable on demand	-	-	5,607	5,607	5,607	-	-	5,606	5,606	5,606
Derivatives liabilities - dynamic hedge	2,666	-	-	2,666	2,465	2,489	-	-	2,489	2,464
Debt issued and borrowings	140,642	5,197	2,141	147,980	146,119	125,688	-	2,141	127,829	125,951
Total	1,979,448	5,197	251,318	2,235,963	2,232,266	1,949,037	-	232,721	2,181,758	2,178,218

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					THE BANK'S FINANCIAL STATEMENTS				
	2019					2019				
	Fair value				Carrying amount	Fair value				Carrying amount
	Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value		Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value	
Financial assets:										
Cash	-	-	33,830	33,830	33,830	-	-	32,785	32,785	32,785
Interbank and money market items, net	-	-	331,431	331,431	331,431	-	-	325,690	325,690	325,690
Derivatives assets - banking book	33	-	-	33	3	33	-	-	33	3
Held to maturity and general investments	-	12,663	774	13,437	13,414	-	12,663	345	13,008	12,985
Loans to customers and accrued interest receivables, net	-	-	1,754,976	1,754,976	1,754,976	-	-	1,612,854	1,612,854	1,612,854
Total	33	12,663	2,121,011	2,133,707	2,133,654	33	12,663	1,971,674	1,984,370	1,984,317
Financial liabilities:										
Deposits	1,569,337	-	-	1,569,337	1,566,885	1,561,229	-	-	1,561,229	1,558,780
Interbank and money market items	-	-	252,121	252,121	252,121	-	-	252,077	252,077	252,077
Liability payable on demand	-	-	3,802	3,802	3,802	-	-	3,802	3,802	3,802
Derivatives liabilities - banking book	4,184	-	-	4,184	4,105	4,183	-	-	4,183	4,104
Debt issued and borrowings	171,504	4,870	2,193	178,567	175,667	139,709	-	2,193	141,902	139,004
Total	1,745,025	4,870	258,116	2,008,011	2,002,580	1,705,121	-	258,072	1,963,193	1,957,767

Valuation technique for financial assets and liabilities not measured at fair value are as follows:

Cash and interbank and money market items (assets)

The carrying amounts of cash and interbank and money market items (assets) presented in the statement of financial position are the approximated fair value.

Investments in debt securities measured at amortised cost

The carrying amount of investments in debt securities measured at amortised cost presented in the statement of financial position is the approximated fair value, except for investment in asset-backed security which fair value calculated based on discounted cash flows.

Held to maturity and general investments

The carrying amount of held to maturity and general investments presented in the statement of financial position is the approximated fair value, except for investment in asset-backed security which fair value calculated based on discounted cash flows.

Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables include variable interest rate loans, fixed rate loans with relatively short maturities and non-performing loans. Most loans carry a floating interest rate. The fair value is

approximated by the outstanding balance of loans to customers and accrued interest receivables less allowance for expected credit loss/ allowance for doubtful accounts.

Deposits

The fair value of deposits is calculated based on discounted cash flows.

Interbank and money market items (liabilities)

The carrying amount of interbank and money market items (liabilities) presented in the statement of financial position is the approximated fair value.

Liabilities payable on demand

The carrying amount of liabilities payable on demand presented in the statement of financial position is the approximated fair value.

Debt issued and borrowings

The carrying amount of debt issued and borrowings presented in the statement of financial position is the approximated fair value, except for subordinated and long-term senior securities which fair values are based on the actual market prices and subordinated long-term senior securities and other borrowing of foreign subsidiary which fair value calculated based on discounted cash flows.

Derivatives

The valuation techniques using to determine the fair value of derivatives is dependent on the type of instrument and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards model commonly used by market participants. The data used in the valuation is the observable input e.g. interest rate, forward exchange rate. Credit valuation adjustments are also made against the valuation of derivative products to reflect the possibility that the counterparty may default and the Bank and its subsidiaries may not receive the full market value of the transactions.

7.23 Share capital

7.23.1 Legal reserve

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

7.23.2 Dividend payment

The Annual General Meeting of Shareholders No. 107 held on April 25, 2019, approved the dividend payment for the six-month period ended December 31, 2018 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.45 per share totaling Baht 3,310 million with payment date on May 23, 2019.

The Board of Directors' Meeting No. 8/2019 held on August 28, 2019, approved the interim dividend payment for the six-month period ended June 30, 2019 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.40 per share totaling Baht 2,942 million with payment date on September 26, 2019.

The Board of Directors' Meeting No. 3/2020 held on March 25, 2020, approved the interim dividend payment for the six-month period ended December 31, 2019 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.45 per share totaling Baht 3,310 million with payment date on April 23, 2020.

7.24 Assets with obligations and restrictions

As at December 31, 2020 and 2019, government and state enterprise securities with book value of Baht 20,130 million and Baht 38,828 million, respectively, are used as collateral for other commitments with government departments and state enterprises.

As at December 31, 2020 and 2019, the Bank and its subsidiaries had claim on security amounting to Baht 16,859 million and Baht 9,612 million, respectively.

As at December 31, 2020, time deposit placement at other bank of a subsidiary with book value of Baht 885 million is used as collateral for borrowing.

7.25 Contingencies

Contingencies as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Avals to bills	1,200	3,434	1,200	3,434
Guarantees of loans	2,455	2,513	2,455	2,513
Liability under unmatured import bills	1,401	1,216	1,401	1,216
Letters of credit	5,005	3,965	5,005	3,965
Other contingencies				
- Unused overdraft limit	5,276	5,107	5,276	5,107
- Unused credit line	48,261	39,623	49,203	42,994
- Other guarantees	52,219	53,297	52,219	53,297
- Others	17,123	68	17,123	68
Total	132,940	109,223	133,882	112,594

The Bank and its subsidiaries have entered into a long-term information technology service agreement, which will be expired in 2025 with a local company. As at December 31, 2020 and 2019, the Bank and its subsidiaries have commitments to pay in the amounts of Baht 2,375 million and Baht 3,030 million, respectively.

As at December 31, 2020 and 2019, the Bank and its subsidiaries have commitments to pay regarding the information technology services in the amount of Baht 2,100 million and Baht 1,366 million, respectively.

As at December 31, 2020 and 2019, the Bank has commitment payment in the amount of Baht 2,216 million and Baht 2,555 million as a result of entering to the construction agreement of the office building, respectively.

7.26 Related party transactions

The Bank has business transactions with subsidiaries, joint ventures and related companies. These transactions are with companies that have shareholding and/or major shareholders and/or joint directors with the Bank and with related persons. Such loans to related party have the allowance for expected credit loss / allowance for doubtful accounts policy which comply with the same BOT regulations as those granted to other debtors.

According to the BOT's Notification Sor.Nor.Sor. 12/2561 regarding the "Regulations on Risk Supervision of Financial Business Group" dated May 22, 2018, the Bank is required to disclose the Inter-Group Transactions in the Financial Business Group Policy and the Risk Management for Inter-Group Transactions in the Financial Business Group Policy as follows:

1. The Inter-Group Transactions in the Financial Business Group Policy

   The inter-group transactions shall have the same conditions or criteria, including interest rate or service fee charged, as applied when the Bank conducts the transactions with general customers with the same risk level.

2. The Risk Management for Inter-Group Transactions in the Financial Business Group Policy

   The Bank manages risk for all inter-group transactions based on the Credit Risk Management for the Financial Business Policy which covers the key credit risk management processes, namely credit risk control, credit risk measurement, and credit risk monitoring, in accordance with the Bank's policy and the BOT's requirements.

Related party transactions are as follows:

7.26.1 Assets, liabilities and contingencies with key management personnel(*) and the companies in which key management personnel and/or the Bank owned and the companies in which key management personnel and/or shareholders of the Bank have significant voting right either directly and indirectly, as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS												
	2020												
	Interbank and money market items (Assets)	Investment	Loans and accrued interest receivables	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company													
MUFG Bank, Ltd.	33,712	-	-	3,136	-	4,030	-	132,495	7,077	-	605	412,778	3,929
Less Allowance for expected credit loss	(4)	-	-	-	-	-	-	-	-	-	-	-	-
Total	33,708	-	-	3,136	-	4,030	-	132,495	7,077	-	605	412,778	3,929
Joint ventures													
Ngern Tid Lor Public Company Limited (formerly Ngern Tid Lor Company Limited)	-	1,145	12,782	-	-	21	947	-	-	2	2	500	6
SB Finance Company, Inc.	-	-	-	-	-	2	-	-	-	-	-	-	-
Tesco Lotus Money Services Limited	-	-	6,116	-	-	150	464	-	-	-	3	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	1	201	-	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	-	5	589	-	-	-	3	-	-
Total	-	1,145	18,898	-	-	179	2,201	-	-	2	8	500	6
Less Allowance for expected credit loss	-	-	(7)	-	-	-	-	-	-	-	-	-	-
Total	-	1,145	18,891	-	-	179	2,201	-	-	2	8	500	6
Related companies having joint major shareholders or directors	11	-	19,045	776	99	32	26,309	2,833	154	-	338	23,093	482
Less Allowance for expected credit loss	-	-	(129)	-	-	-	-	-	-	-	-	-	-
Total	11	-	18,916	776	99	32	26,309	2,833	154	-	338	23,093	482
Individual and related parties	-	-	347	-	7	-	1,973	-	-	-	943	-	-
Less Allowance for expected credit loss	-	-	(7)	-	-	-	-	-	-	-	-	-	-
Total	-	-	340	-	7	-	1,973	-	-	-	943	-	-
Total	33,719	1,145	38,147	3,912	106	4,241	30,483	135,328	7,231	2	1,894	436,371	4,417

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS										
	2019										
	Interbank and money market items (Assets)	Investment	Loans and accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company											
MUFG Bank, Ltd.	24,584	-	-	2,173	1,153	-	181,238	3,147	1,480	457,285	2,982
Total	24,584	-	-	2,173	1,153	-	181,238	3,147	1,480	457,285	2,982
Joint ventures											
Ngern Tid Lor Company Limited	-	1,171	20,515	-	19	355	-	-	5	-	6
Tesco Lotus Money Services Limited	-	-	8,842	-	437	746	-	-	3	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	5	172	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	20	548	-	-	2	-	-
Total	-	1,171	29,357	-	481	1,821	-	-	10	-	6
Less Allowance for doubtful accounts	-	-	(293)	-	-	-	-	-	-	-	-
Total	-	1,171	29,064	-	481	1,821	-	-	10	-	6
Related companies having joint major shareholders or directors	9	-	11,417	817	14	6,953	259	17	26	17,138	308
Less Allowance for doubtful accounts	-	-	(97)	-	-	-	-	-	-	-	-
Total	9	-	11,320	817	14	6,953	259	17	26	17,138	308
Individual and related parties	-	-	505	-	-	2,090	-	-	998	-	-
Less Allowance for doubtful accounts	-	-	(1)	-	-	-	-	-	-	-	-
Total	-	-	504	-	-	2,090	-	-	998	-	-
Total	24,593	1,171	40,888	2,990	1,648	10,864	181,497	3,164	2,514	474,423	3,296

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS												
	2020												
	Interbank and money market items (Assets)	Investment	Loans and accrued interest receivables	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company													
MUFG Bank, Ltd.	33,712	-	-	3,136	-	4,030	-	132,495	7,077	-	605	412,778	3,929
Less Allowance for expected credit loss	(4)	-	-	-	-	-	-	-	-	-	-	-	-
Total	33,708	-	-	3,136	-	4,030	-	132,495	7,077	-	605	412,778	3,929
Subsidiaries													
Ayudhya Development Leasing Company Limited	-	-	5,930	-	-	-	10	-	-	17	2	-	1
Ayudhya Capital Auto Lease Public Company Limited	-	-	495	-	-	416	808	-	-	-	246	-	-
Ayudhya Capital Services Company Limited	-	-	18,699	-	-	83	1,270	-	-	-	27	-	3
General Card Services Limited	-	-	9,923	-	-	52	475	-	-	-	2	-	-
Krungsriayudhya Card Company Limited	-	-	12,951	-	-	397	855	-	-	-	11	-	1
Siam Realty and Services Security Company Limited	-	-	360	-	711	1	84	-	-	1	758	-	-
Total Services Solutions Public Company Limited	-	-	-	-	-	-	678	-	-	-	8	-	-
Krungsri Asset Management Company Limited	-	-	-	-	-	98	-	1,872	-	-	1	-	-
Krungsri Ayudhya AMC Limited	-	-	-	-	-	-	2,513	-	-	-	24	-	35
Krungsri Securities Public Company Limited	-	-	-	-	-	2	3	2,917	-	-	7	-	-
Krungsri Nimble Company Limited	-	-	-	-	-	2	198	-	-	-	27	-	-
Krungsri Life Assurance Broker Limited	-	-	-	-	-	-	599	-	-	-	-	-	-
Krungsri General Insurance Broker Limited	-	-	-	-	-	-	392	-	-	-	-	-	-
Krungsri Leasing Services Company Limited	-	-	4,117	-	-	1	305	-	-	-	-	-	-
Hattha Bank Plc. (formerly Hattha Kaksekar Limited)	87	-	-	218	-	2	-	-	-	-	-	3,197	-
Krungsri Finnovate Company Limited	-	-	-	-	-	1	226	-	-	-	-	-	-
Krungsri Non-Deposit Taking Microfinance Institution Co.,Ltd.	-	-	-	-	-	-	9	-	-	-	-	-	-
Total	87	-	52,475	218	711	1,055	8,425	4,789	-	18	1,113	3,197	40
Less Allowance for expected credit loss	-	-	(42)	-	-	-	-	-	-	-	-	-	(1)
Total	87	-	52,433	218	711	1,055	8,425	4,789	-	18	1,113	3,197	39

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS (CONTINUED)

	2020												
	Interbank and money market items (Assets)	Investment	Loans and accrued interest receivables	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Joint ventures													
Ngern Tid Lor Public Company Limited (formerly Ngern Tid Lor Company Limited)	-	1,145	12,782	-	-	21	947	-	-	2	2	500	6
SB Finance Company, Inc.	-	-	-	-	-	2	-	-	-	-	-	-	-
Tesco Lotus Money Services Limited	-	-	6,116	-	-	20	464	-	-	-	3	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	-	201	-	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	-	-	589	-	-	-	-	-	-
Total	-	1,145	18,898	-	-	43	2,201	-	-	2	5	500	6
Less Allowance for expected credit loss	-	-	(7)	-	-	-	-	-	-	-	-	-	-
Total	-	1,145	18,891	-	-	43	2,201	-	-	2	5	500	6
Related companies having joint major shareholders or directors	11	-	19,045	776	-	8	26,309	2,833	154	-	236	23,093	482
Less Allowance for expected credit loss	-	-	(129)	-	-	-	-	-	-	-	-	-	-
Total	11	-	18,916	776	-	8	26,309	2,833	154	-	236	23,093	482
Individual and related parties	-	-	283	-	-	-	1,848	-	-	-	653	-	-
Less Allowance for expected credit loss	-	-	(5)	-	-	-	-	-	-	-	-	-	-
Total	-	-	278	-	-	-	1,848	-	-	-	653	-	-
Total	33,806	1,145	90,518	4,130	711	5,136	38,783	140,117	7,231	20	2,612	439,568	4,456

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS										
	2019										
	Interbank and money market items (Assets)	Investment	Loans and accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company											
MUFG Bank, Ltd.	24,584	-	-	2,173	1,153	-	181,238	3,147	1,480	457,285	2,982
Total	24,584	-	-	2,173	1,153	-	181,238	3,147	1,480	457,285	2,982
Subsidiaries											
Ayudhya Development Leasing Company Limited	-	-	8,085	-	1	9	-	-	2	-	7
Ayudhya Capital Auto Lease Public Company Limited	-	-	6,494	-	296	1,127	-	-	304	-	-
Ayudhya Capital Services Company Limited	-	-	27,415	-	141	1,242	-	-	24	-	3
General Card Services Limited	-	-	13,762	-	70	606	-	-	2	-	-
Krungsriayudhya Card Company Limited	-	-	6,802	-	576	1,221	-	-	18	-	1
Siam Realty and Services Security Company Limited	-	-	500	-	1	78	-	-	45	-	-
Total Services Solutions Public Company Limited	-	-	-	-	-	1,530	-	-	15	-	-
Krungsri Asset Management Company Limited	-	-	-	-	86	-	5,571	-	105	-	-
Krungsri Ayudhya AMC Limited	-	-	-	-	1	2,037	-	-	42	-	35
Krungsri Securities Public Company Limited	-	-	-	-	2	3	2,224	-	5	-	-
Krungsri Nimble Company Limited	-	-	-	-	8	169	-	-	28	-	-
Krungsri Life Assurance Broker Limited	-	-	-	-	-	407	-	-	-	-	-
Krungsri General Insurance Broker Limited	-	-	-	-	-	313	-	-	1	-	-
Krungsri Leasing Services Company Limited	-	-	5,367	-	1	177	-	-	-	-	-
Hattha Kaksekar Limited	-	-	866	56	1,209	-	-	-	-	4,006	-
Krungsri Finnovate Company Limited	-	-	-	-	3	1,010	-	-	-	-	-
Total	-	-	69,291	56	2,395	9,929	7,795	-	591	4,006	46
Less Allowance for doubtful accounts	-	-	(691)	-	-	-	-	-	-	-	-
Total	-	-	68,600	56	2,395	9,929	7,795	-	591	4,006	46

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS (CONTINUED)

	2019										
	Interbank and money market items (Assets)	Investment	Loans and accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Joint ventures											
Ngern Tid Lor Company Limited	-	1,171	20,514	-	19	355	-	-	5	-	6
Tesco Lotus Money Services Limited	-	-	8,842	-	32	746	-	-	3	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	172	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	-	548	-	-	1	-	-
Total	-	1,171	29,356	-	51	1,821	-	-	9	-	6
Less Allowance for doubtful accounts	-	-	(293)	-	-	-	-	-	-	-	-
Total	-	1,171	29,063	-	51	1,821	-	-	9	-	6
Related companies having joint major shareholders or directors	9	-	11,416	817	-	6,953	259	17	23	17,138	308
Less Allowance for doubtful accounts	-	-	(97)	-	-	-	-	-	-	-	-
Total	9	-	11,319	817	-	6,953	259	17	23	17,138	308
Individual and related parties	-	-	405	-	-	1,858	-	-	712	-	-
Total	24,593	1,171	109,387	3,046	3,599	20,561	189,292	3,164	2,815	478,429	3,342

(*) Key management personnel:
- Since December 1, 2020, key management means officers from the levels of Bank's Directors, Executive Vice President and higher.
- Prior December 1, 2020, key management means officers from the levels of Bank's Directors, Executive Vice President and higher, and Vice Presidents/ equivalent positions and higher in the Finance and Accounting Functions.

As at December 31, 2020 and 2019, the Bank charges interest rates to related parties at 1.00% - 25.00% p.a. and 1.00% - 25.05% p.a., respectively.

As at December 31, 2019, the allowance for doubtful accounts of loans granted to subsidiaries of Baht 691 million are not eliminated but treated as surplus reserve in the consolidated financial statements.

7.26.2 The Bank has investments in subsidiaries and joint ventures as disclosed in Note 7.7 and has investments in related companies as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS				
	2020				
	Business Type	Registered Share Capital	Ownership (%)	Investment Fair Value	Dividend Amount
Related company					
Allianz Ayudhya Capital Public Company Limited	Investment holding company	389	3.11	400	18
Investment in related company, net				400	18

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS				
	2019				
	Business Type	Registered Share Capital	Ownership (%)	Investment Fair Value	Dividend Amount
Related company					
Allianz Ayudhya Capital Public Company Limited	Investment holding company	385	3.15	186	9
Less Allowance for impairment				(3)	-
Investment in related company, net				183	9

7.26.3 Income and expenses between the Bank and its subsidiaries, joint ventures and related companies for the years ended December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	2020				2019			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
MUFG Bank, Ltd.	5	(3,755)	1,777	375	-	(3,127)	4,534	482
Total	5	(3,755)	1,777	375	-	(3,127)	4,534	482
Joint ventures								
Ngern Tid Lor Public Company Limited (formerly Ngern Tid Lor Company Limited)	494	163	8	4	536	100	-	8
Tesco Lotus Money Services Limited	159	556	-	(11)	151	595	-	(9)
Tesco Life Assurance Broker Company Limited	-	7	1	-	-	6	1	-
Tesco General Insurance Broker Limited	-	37	2	-	-	34	4	-
Total	653	763	11	(7)	687	735	5	(1)
Related companies having joint major shareholders or directors	235	87	59	263	254	476	71	290
Total	235	87	59	263	254	476	71	290
Individual and related parties	17	4	20	45	19	6	22	19
Total	910	(2,901)	1,867	676	960	(1,910)	4,632	790

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS							
	2020				2019			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
MUFG Bank, Ltd.	5	(3,755)	1,777	375	-	(3,127)	4,534	482
Total	5	(3,755)	1,777	375	-	(3,127)	4,534	482
Subsidiaries								
Ayudhya Development Leasing Company Limited	201	19	-	(7)	236	19	-	(8)
Ayudhya Capital Auto Lease Public Company Limited	96	1,589	6	833	287	1,403	6	824
Ngern Tid Lor Public Company Limited (formerly Ngern Tid Lor Company Limited)	-	-	-	-	104	10	-	-
Ayudhya Capital Services Company Limited	571	301	1	(66)	729	368	1	(73)
General Card Services Limited	201	33	1	(6)	261	35	-	(1)
Krungsriayudhya Card Company Limited	53	103	1	146	53	162	7	208
Siam Realty and Services Security Company Limited	6	7	12	516	12	8	-	557
Total Services Solutions Public Company Limited	-	2	7	43	-	2	20	46
Krungsri Asset Management Company Limited	-	955	(89)	9	-	934	78	12
Krungsri Ayudhya AMC Limited	-	5	2	(4)	-	5	2	(4)
Krungsri Securities Public Company Limited	-	14	13	2	-	22	26	7
Krungsri Nimble Company Limited	-	30	-	19	-	9	-	5
Krungsri Life Assurance Broker Limited	-	2	2	-	-	1	4	-
Krungsri General Insurance Broker Limited	-	1	1	-	-	1	5	-
Krungsri Leasing Services Company Limited	339	1	3	-	350	-	2	-
Hattha Bank Plc. (formerly Hattha Kaksekar Limited)	43	216	-	-	41	68	-	-
Krungsri Finnovate Company Limited	-	21	-	-	-	18	-	-
Total	1,510	3,299	(40)	1,485	2,073	3,065	151	1,573
Joint ventures								
Ngern Tid Lor Public Company Limited (formerly Ngern Tid Lor Company Limited)	494	46	8	4	536	42	-	8
Tesco Lotus Money Services Limited	159	30	-	(11)	151	33	-	(9)
Tesco Life Assurance Broker Limited	-	2	1	-	-	1	1	-
Tesco General Insurance Broker Limited	-	17	2	-	-	16	4	-
Total	653	95	11	(7)	687	92	5	(1)
Related companies having joint major shareholders or directors	235	75	59	181	254	468	71	214
Total	235	75	59	181	254	468	71	214
Individual and related parties	17	4	20	45	17	6	15	-
Total	2,420	(282)	1,827	2,079	3,031	504	4,776	2,268

7.26.4 For the years ended December 31, 2020 and 2019, compensations paid to key management personnel under TAS 24 "Related Party Disclosures" are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Short-term employee benefits	2,107	2,224	1,336	1,430
Post-employment benefits	69	68	46	46
Other long-term benefits	2	1	1	1
Total	2,178	2,293	1,383	1,477

7.26.5 For the years ended December 31, 2020 and 2019, related party transactions among subsidiaries included collection services and other services of Baht 848 million and Baht 954 million, respectively, and office and vehicle rental and facilities service of Baht 36 million and Baht 39 million, respectively.

7.26.6 For the year ended December 31, 2020, subsidiaries have no related party transactions from the information technology services and for the year ended December 31, 2019, subsidiaries had related party transactions from the information technology services of Baht 3 million, and for the years ended December 31, 2020 and 2019, a subsidiary had related party transactions with the Bank to provide the information technology services of Baht 157 million and Baht 28 million, respectively.

7.26.7 For the years ended December 31, 2020 and 2019, related party transactions among subsidiaries from other services were Baht 1,745 million and Baht 1,778 million, respectively.

7.26.8 For the year ended December 31, 2020, the expected credit loss of loans granted and loan commitments and financial guarantee contracts to subsidiaries are reversed of Baht 15 million and the expected credit loss of loans granted and loan commitments and financial guarantee contracts to joint ventures of Baht 9 million.

7.26.9 The Extraordinary General Meeting of Shareholders No. 1/2013, held on October 31, 2013, approved the integration of the Bank and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU's Bangkok Branch) by acquisition of the business of BTMU's Bangkok Branch and the entering into a Conditional Branch Purchase Agreement between the Bank as transferee and MUFG Bank, Ltd. (MUFG) as transferor and other related agreements which are asset acquisition and connected transactions.

From the date of the business transfer of BTMU's Bangkok Branch under the Conditional Branch Purchase Agreement, MUFG shall provide various services to the Bank as agreed between the Bank and MUFG prior to the transfer. Such services shall include existing services provided by MUFG to BTMU's Bangkok Branch and other services as necessary and appropriate to ensure continued service to BTMU's Bangkok Branch's customers after the transfer of the assets. The Bank and MUFG will also enter into a Master Service Agreement to provide various services to the Bank which will include but not be limited to (a) General Services Agreement (b) Trademark License Agreement (c) Software License Agreement (d) Other ancillary agreements as may be agreed between the parties under the Master Service Agreement.

From the date of the business transfer of BTMU's Bangkok Branch under the Conditional Branch Purchase Agreement until (1) the lapse of 10 years from the date of the transfer or (2) the date MUFG holds shares in the Bank less than 50 percent of all issued shares (whichever occurs later), the Bank may request for MUFG to provide funding assistance to the Bank and MUFG shall use its best efforts to provide such funding assistance after confirming that: (a) the price and condition for the funding assistance is on an Arm's Length Basis and is beneficial to both parties; (b) such funding assistance is aligned with the Bank's Asset and Liability Policy and Funding Policy; (c) such funding assistance complies with the legal requirements (including tax concerning transfer pricing). If MUFG agrees to provide funding assistance as requested by the Bank, the parties shall further agree on the type, amount, tenor and interest rate of such assistance.

On January 5, 2015, the Bank has entered into the borrowing agreement with MUFG under (1) Uncommitted Revolving Facility or (2) Interbank and Money Market Facility. Total facility amount is JPY 900,000 million.

7.27 Management compensation

The Bank and its subsidiaries have no special benefits given to the directors and executive officers beyond the general benefits made as usual, including contingency benefits from employment compensation agreements and other benefits for those persons.

The Bank and its subsidiaries did not sell, give or lease any properties to directors, executive officers, or their related parties, or did not purchase or lease any assets from those persons, except, during the years ended December 31, 2020 and 2019, the subsidiary had sold assets to managements in the amount of Baht 2 million and Baht 5 million with the book value of Baht 2 million and Baht 4 million, respectively.

7.28 Lease liabilities

Lease liabilities as at December 31, 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
	2020	2020
Within one year	1,040	1,104
One year to five years	1,464	1,546
Over five years	598	544
Total	3,102	3,194

Finance lease liabilities as at December 31, 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			THE BANK'S FINANCIAL STATEMENTS		
	2019			2019		
	Principal	Interest	Payment	Principal	Interest	Payment
Within one year	214	14	228	164	12	176
One year to five years	525	15	540	426	14	440
Total	739	29	768	590	26	616

7.29 Operating segments

The business segment results are prepared based on the Bank and its subsidiaries' internal management reporting which reflects the organizational management structure. The operating results by business segment provided to Chief Operating Decision Maker to make decision about resources allocations, and assess the performance of operating segments. The operating segment results are measured in accordance with Thai Financial Reporting Standards, which are also adjusted in accordance with internal management accounting rules and practices. Amounts for each business segment are shown after the allocation of certain centralized costs, income from investment, and the application of transfer pricing, where appropriate. Transactions between segments are recorded on the same basis as the transaction conducted with the third party. Transactions between segments are eliminated on consolidation.

The business segments are described below:

Retail: provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, bill of exchange, housing loan, credit cards, personal loans and sale finance loans, hire-purchase and leasing, wealth management and bancassurance products.

Commercial: provides financial services and products to institutional clients including corporate, small and medium-sized businesses and financial institutions. Products and services comprise the full range of credit facilities from short term working capital, cash management, trade finance, transactional banking, advisory services, and treasury and money markets products.

Others: encompasses other income and expenses generating activities that are not attributed to the business segments described above.

During the years ended December 31, 2020 and 2019, no revenue from transactions with a single external customer or counter party amounted to 10% or more of the Bank's total revenue.

Operating segment by businesses for the years ended December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	2020				
	Retail	Commercial	Others	Elimination	Total
Interest income, net	59,794	21,436	5	69	81,304
Other operating income	27,939	7,177	2,418	(4,851)	32,683
Total operating income	87,733	28,613	2,423	(4,782)	113,987
Operating expenses	35,307	11,039	6,664	(4,545)	48,465
Expected credit loss	31,264	5,493	(128)	15	36,644
Profit (loss) before tax	21,162	12,081	(4,113)	(252)	28,878
Taxation	3,901	2,200	(563)	-	5,538
Net profit (loss)	17,261	9,881	(3,550)	(252)	23,340

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	2019				
	Retail	Commercial	Others	Elimination	Total
Interest income, net	55,816	20,565	10	32	76,423
Other operating income	31,088	7,662	11,040	(4,605)	45,185
Total operating income	86,904	28,227	11,050	(4,573)	121,608
Operating expenses	37,973	12,313	6,410	(4,527)	52,169
Impairment loss of loans and debt securities	22,483	2,818	2,902	-	28,203
Profit (loss) before tax	26,448	13,096	1,738	(46)	41,236
Taxation	5,065	2,478	561	-	8,104
Net profit (loss)	21,383	10,618	1,177	(46)	33,132

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Retail	Commercial	Others	Elimination	Total
Total assets					
As at December 31, 2020	998,231	1,725,514	21,584	(135,955)	2,609,374
As at December 31, 2019	980,900	1,516,186	19,979	(157,473)	2,359,592

7.30 Position and results of operations classified by domestic and foreign business

(1) Position classified by type of business

Position classified by domestic and foreign business as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2020			
	Domestic	Foreign	Elimination	Total
Total assets	2,554,809	62,430	(7,865)	2,609,374
Interbank and money market items, net (Assets)	514,182	9,203	-	523,385
Financial assets measured at fair value through profit or loss	786	-	-	786
Investments, net*	176,435	30	-	176,465
Loans to customers and accrued interest receivable, net	1,720,318	45,305	-	1,765,623
Deposits	1,808,206	26,299	-	1,834,505
Interbank and money market items (Liabilities)	229,578	13,992	-	243,570
Debt issued and borrowings	140,816	5,303	-	146,119

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2019			
	Domestic	Foreign	Elimination	Total
Total assets	2,316,521	54,802	(11,731)	2,359,592
Interbank and money market items, net (Assets)	323,273	8,158	-	331,431
Investments, net*	130,291	1	-	130,292
Loans to customers and accrued interest receivable, net	1,715,933	39,043	-	1,754,976
Deposits	1,546,159	20,726	-	1,566,885
Interbank and money market items (Liabilities)	240,075	12,046	-	252,121
Debt issued and borrowings	170,454	5,213	-	175,667

* Includes investments in subsidiaries and joint ventures, net

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2020			
	Domestic	Foreign	Elimination	Total
Total assets	2,457,094	6,982	(3,345)	2,460,731
Interbank and money market items, net (Assets)	512,743	3,451	-	516,194
Financial assets measured at fair value through profit or loss	736	-	-	736
Investments, net*	216,973	-	-	216,973
Loans to customers and accrued interest receivable, net	1,608,166	1,664	-	1,609,830
Deposits	1,816,649	2,574	-	1,819,223
Interbank and money market items (Liabilities)	223,999	975	-	224,974
Debt issued and borrowings	125,951	-	-	125,951

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2019			
	Domestic	Foreign	Elimination	Total
Total assets	2,230,734	8,101	(4,110)	2,234,725
Interbank and money market items, net (Assets)	321,811	3,879	-	325,690
Investments, net*	177,865	-	-	177,865
Loans to customers and accrued interest receivable, net	1,610,888	1,966	-	1,612,854
Deposits	1,556,087	2,693	-	1,558,780
Interbank and money market items (Liabilities)	250,836	1,241	-	252,077
Debt issued and borrowings	139,004	-	-	139,004

* Includes investments in subsidiaries and joint ventures, net

(2) Results of operations classified by business

Results of operations classified by domestic and foreign business for the years ended December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2020			
	Domestic	Foreign	Elimination	Total
Interest income	102,469	5,978	(385)	108,062
Interest expenses	24,509	2,634	(385)	26,758
Net interest income	77,960	3,344	-	81,304
Fees and service income, net	17,393	171	-	17,564
Other operating income	20,732	(105)	(5,508)	15,119
Other operating expenses	52,009	1,964	(5,508)	48,465
Profit from operating before expected credit loss and income tax	64,076	1,446	-	65,522

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2019			
	Domestic	Foreign	Elimination	Total
Interest income	105,559	5,289	(393)	110,455
Interest expenses	32,230	2,195	(393)	34,032
Net interest income	73,329	3,094	-	76,423
Fees and service income, net	21,615	162	-	21,777
Other operating income	27,833	58	(4,483)	23,408
Other operating expenses*	82,845	2,010	(4,483)	80,372
Profit from operating before tax	39,932	1,304	-	41,236

* Includes allowance for doubtful accounts

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2020			
	Domestic	Foreign	Elimination	Total
Interest income	76,142	133	-	76,275
Interest expenses	23,853	87	-	23,940
Net interest income	52,289	46	-	52,335
Fees and service income, net	8,409	15	-	8,424
Other operating income	14,571	30	(5,508)	9,093
Other operating expenses	39,957	56	(5,508)	34,505
Profit from operating before expected credit loss and income tax	35,312	35	-	35,347

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2019			
	Domestic	Foreign	Elimination	Total
Interest income	80,854	92	-	80,946
Interest expenses	31,655	44	-	31,699
Net interest income	49,199	48	-	49,247
Fees and service income, net	9,935	17	-	9,952
Other operating income	22,543	37	(4,483)	18,097
Other operating expenses*	58,468	80	(4,483)	54,065
Profit from operating before tax	23,209	22	-	23,231

* Includes allowance for doubtful accounts

Income and expenses between the head office and branches or inter-branches are determined by the head office at the rate which approximates actual cost.

7.31 Interest income

Interest income for the years ended December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Interbank and money market items	2,720	4,681	2,702	4,666
Investment and trading transactions	61	91	60	91
Investment in debt securities	1,561	2,279	1,561	2,284
Loans to customers	69,158	72,244	44,431	50,165
Hire purchase and finance lease	34,526	31,073	27,485	23,653
Other	36	87	36	87
Total interest income	108,062	110,455	76,275	80,946

7.32 Interest expenses

Interest expenses for the years ended December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Deposits	15,521	18,226	14,286	17,169
Interbank and money market items	2,603	4,168	1,823	3,940
Contributions to Financial Institution Development Fund and Deposit Protection Agency	4,011	7,089	4,011	7,089
Debt issued and borrowings				
- Subordinated debenture	2,271	2,447	2,244	1,514
- Other	2,251	1,968	1,505	1,917
Borrowing fee expense	-	74	-	23
Other	101	60	71	47
Total interest expenses	26,758	34,032	23,940	31,699

On April 9, 2020, the BOT announced to reduce the rate of contributions to Financial Institution Development Fund (FIDF) from 0.46% to 0.23% per year which is effective for the years 2020 - 2021. Therefore, the Bank has reduced FIDF fee with the rate of 0.23% per year for the year ended December 31, 2020.

7.33 Fees and service income, net

Fees and service income, net for the years ended December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Fees and service income				
- Acceptances, aval and guarantees	500	524	501	526
- Other	24,312	29,128	13,034	15,329
Total fees and service income	24,812	29,652	13,535	15,855
Fees and service expenses	7,248	7,875	5,111	5,903
Total fees and service income, net	17,564	21,777	8,424	9,952

7.34 Gains on financial instruments measured at fair value through profit or loss

Gains on financial instruments measured at fair value through profit or loss for the year ended December 31, 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
	2020	2020
Gains (losses) on trading and foreign exchange transactions		
- Foreign currency and derivative of currency	4,051	4,388
- Derivative of interest rates	67	108
- Debt securities	38	38
- Equity securities	(15)	(6)
Total	4,141	4,528
Gains on financial instruments designated at FVTPL		
- Net change in fair value of other	5	5
Gains (losses) on hedge accounting	(34)	(34)
Total	4,112	4,499

Gains on trading and foreign exchange transactions, net for the year ended December 31, 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
	2019	2019
Gains (losses) on trading and foreign exchange transactions		
- Foreign currency and derivative of currency	4,232	4,216
- Derivative of interest rates	132	189
- Debt securities	69	69
- Equity securities	(83)	(6)
Total	4,350	4,468

7.35 Gains (losses) on investments, net

Gains (losses) on investments, net for the year ended December 31, 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
	2020	2020
Gains on derecognition of investments		
- Debt securities measured at FVOCI	109	109
Losses on impairments		
- Investments in subsidiaries	-	(720)
Total	109	(611)

Gains on investments, net for the year ended December 31, 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
	2019	2019
Gains on sales of investments		
- Available-for-sale	607	607
- Investments in subsidiaries	8,625	5,019
	9,232	5,626
Losses on impairments		
- Investments in subsidiaries	-	(510)
Total	9,232	5,116

7.36 Expected credit loss

Expected credit loss (reversal) for the year ended December 31, 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
	2020	2020
Interbank and money market items	259	254
Investment in debt securities measured at fair value through other comprehensive income	7	7
Investment in debt securities measured at amortized cost (reversal)	(2)	(2)
Loans to customers and accrued interest receivable	36,470	25,143
Loan commitments and financial guarantees (reversal)	(90)	(50)
Total	36,644	25,352

Impairment loss on loans and debt securities (reversal) for the year ended December 31, 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
	2019	2019
Interbank and money market items (reversal)	(117)	(117)
Impairment loss on debt instrument (reversal)	(12)	(12)
Loans to customers	27,163	18,641
Loss on troubled debt restructuring	1,169	113
Total	28,203	18,625

7.37 Income tax expenses

Income tax expenses for the years ended December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Current tax for the years	6,516	6,957	2,784	3,198
Deferred tax	(978)	1,148	(949)	448
Total income tax expenses	5,538	8,105	1,835	3,646

Reconciliation of effective tax rate

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				THE BANK'S FINANCIAL STATEMENTS			
	2020		2019		2020		2019	
	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)
Profit before tax	28,878		41,236		9,995		23,231	
Income tax at the domestic tax rate	5,776	20.00	8,247	20.00	1,999	20.00	4,646	20.00
Add Tax effect of income and expense that are not exempt for tax purposes	563	1.95	1,575	3.82	186	1.86	457	1.97
Less Tax effect of income and expense that are exempt for tax purposes	(801)	(2.78)	(1,717)	(4.17)	(350)	(3.51)	(1,457)	(6.28)
Income tax expenses as per statements of profit or loss and other comprehensive income	5,538	19.17	8,105	19.65	1,835	18.35	3,646	15.69

7.38 Income tax relating to components of other comprehensive income

Income tax relating to components of other comprehensive income for the years ended December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2020			2019		
	Amount before tax	Tax income (expenses)	Net amount After tax	Amount before tax	Tax income (expenses)	Net amount After tax
Item that will be reclassified subsequently to profit or loss						
Gains on investment in debt instruments at fair value through other comprehensive income	303	(61)	242	-	-	-
Losses on cash flow hedges	(161)	32	(129)	-	-	-
Gains on remeasuring available-for-sale investment	-	-	-	10	(2)	8
Losses arising from translating the financial statements of a foreign operation	(91)	20	(71)	(702)	125	(577)
Share of other comprehensive income of joint venture	(6)	-	(6)	-	-	-
Item that will not be reclassified subsequently to profit or loss						
Gains on remeasuring investment in equity instruments designated at FVOCI	86	(17)	69	-	-	-
Change in assets revaluation surplus	-	-	-	3,821	(764)	3,057
Actuarial losses on defined benefit plans	(561)	112	(449)	(1,031)	206	(825)
Share of other comprehensive income of joint venture	(1)	-	(1)	(10)	-	(10)
Other comprehensive income	(431)	86	(345)	2,088	(435)	1,653

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2020			2019		
	Amount before tax	Tax income (expenses)	Net amount After tax	Amount before tax	Tax income (expenses)	Net amount After tax
Item that will be reclassified subsequently to profit or loss						
Gains on investment in debt instruments at fair value through other comprehensive income	303	(61)	242	-	-	-
Losses on cash flow hedges	(161)	32	(129)	-	-	-
Gains on remeasuring available-for-sale investment	-	-	-	10	(2)	8
Item that will not be reclassified subsequently to profit or loss						
Losses on remeasuring investment in equity instruments designated at FVOCI	(93)	19	(74)	-	-	-
Change in assets revaluation surplus	-	-	-	3,821	(764)	3,057
Actuarial losses on defined benefit plans	(576)	115	(461)	(772)	154	(618)
Other comprehensive income	(527)	105	(422)	3,059	(612)	2,447

7.39 The relief measures to alleviate the impact of COVID-19 outbreak on households and businesses announced by Bank of Thailand (BOT)

The relief measures to alleviate the impact of COVID-19 Phase I

On February 28, 2020, the BOT announced the relief measures to classify non-NPL debtors with quality loans. In case of the bank believes that the debtor is able to proceed with the debt restructuring plan or debtors without a significant increase in credit risk, it will be classified debtors as Loan Stage 1 which are considered as a preventative debt restructuring (Pre-emptive) not considered as a Troubled Debt Restructuring (TDR) in accordance with the time frame during January 1, 2020 to December 31, 2021 as scheduled by the BOT.

In addition, the BOT has reduced the rate of contribution from financial institutions to the FIDF "the FIDF fee" from 0.46% to 0.23% per year for a period of 2 years including the relief measures for Mutual Fund Liquidity Facility (MFLF) as disclosed in Note 7.32 and 7.6, respectively.

The relief measures to alleviate the impact of COVID-19 Phase II

On June 19, 2020, the BOT announced the relief measures to alleviate the impact of COVID-19 Phase II as follows:

1) Interest ceiling cuts and reduce service fees and penalties (interest) related with credit cards and personal loans 2%-4% per annum, effective from August 1, 2020.
2) Extending the credit limit for debtors whose average monthly income is less than Baht 30,000 from 1.5 times to 2 times temporarily from August 1, 2020 to December 31, 2021.
3) Retail debtor relief measures phase II by expanding the scope and period of providing assistance to Non-NPL retail debtors as at March 1, 2020.

Corresponding to the Bank of Thailand's policy rate cuts in support of customer relief measures and to alleviate the negative impacts on the economy due to COVID-19 outbreak, the Bank cut its key lending rates for fourconsecutive times on February 8, 2020, March 24, 2020, April 10, 2020, and May 21, 2020 in accordance with the BOT's policy rate cuts and the other immediate relief measures for all customer segments included a grace period for principle and/or interest payments, a reduction of interest payment, as well as installment period extension. In particular, for SME customers, assistance as per the above-mentioned measures are being offered in addition to the BOT's soft loan program.

The relief measures to alleviate the impact of COVID-19 in the third quarter of 2020

The BOT announced the relief measures to alleviate the impact of COVID-19 in the third quarter of 2020 as follows:

1) The debt consolidation measure to support retail customers through consolidating and restructuring of mortgage loan and other retail loans while offering interest rate reductions, effective from September 1, 2020 to December 31, 2021.
2) The DR BIZ Program to support corporate customers with aggregated credit lines of Baht 50 to 500 million. The program provides a mechanism for multi-creditors businesses to lessen their debt burdens, while ensuring that an effective coordination framework is in place among multiple creditors. The program is effective from September 1, 2020 to December 31, 2021.
3) The relief measures to assist SME customers under the payment holiday per the Royal Decree whose loans are due on October 22, 2020 which are more targeted measures by considering customers' payment ability. Moreover, the BOT's soft loan program is extended the effective period for 6 months.

As of December 31, 2020, the loans outstanding that have been received the relief measure program accounted for approximately Baht 496 billion, of which 12% is granted to Corporate segment, 33% is granted to SME and Business Banking segment, and 55% is granted to Retail Segment. For SME, additional credit line of Baht 20.9 billion were offered to 6,758 SME customers to boost their liquidity under the Bank of Thailand (BOT)'s and the Government Saving Bank's soft loan programs.

As aforementioned, the Bank and its subsidiaries are continuing to closely monitor and evaluate impact on the significant relief measures to alleviate the impact of COVID-19 outbreak announced by the BOT.

7.40 Approval of financial statements

These financial statements have been approved for issue by the Board of Directors on February 24, 2021.

AUDITOR'S FEE

1. Audit fees*

The Bank and its affiliates paid audit fees as the following:

- To the Bank's auditors of THB 28,940,000.
- To auditing firms, individuals or businesses whom the Bank's auditors employed, USD 37,008.

2. Non-audit fee

The Bank paid non-audit fee for special purpose audit engagement audit to:

The Bank's auditors

- In the past year, sum of 110,000 Baht, and in the future, an additional sum of 19,045,000 Baht will be paid for services previously agreed upon but not yet fully provided.

Auditing firms, individuals, or businesses whom the Bank's auditors employed

- In the past fiscal year, sum of THB -0-, and in the future, an additional sum of THB -0- will be paid for services agreed upon in the previous year but not yet fully provided.

* Audit fees do not include other actual expenses, such as transportation and per diem payments.

GENERAL INFORMATION

COMPANY INFORMATION

Name of company:	Bank of Ayudhya Public Company Limited
Registration number:	0107536001079
Business type:	Commercial bank
Head office address:	1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
Telephone:	0-2296-2000
Facsimile:	0-2683-1304
Krungsri call center:	1572
Website:	www.krungsri.com

Investors can study more about Krungsri from Annual Registration Statement (Form 56-1), disclosed in www.sec.or.th or company website www.krungsri.com.

Nature of Business

The Bank engages in business as defined by the Commercial Banking Act, the Securities Act, the Securities and Exchange Commission's regulations, the Stock Exchange of Thailand, and related notices. The Bank's services are classified into three core categories:

1. **Deposit services -** The Bank accepts deposits from ordinary persons and business organizations, which are divided into four types:
   - Current accounts
   - Savings accounts
   - Time deposits
   - Foreign currency deposits

2. **Loan services -** The Bank provides different loan services as follows:
   - Overdrafts (O/D)
   - Promissory notes and term loans to business customers
   - Housing loans and personal loans to retail customers
   - Foreign currency loans
   - Trade finance
   - Other loan services, such as aval and acceptance, letter of guarantee and bank guarantee, letter of credit, and financial status certification, etc.

3. **Other services**
   - E-banking services
   - Domestic money transfer
   - Foreign exchange and international money transfer
   - Krungsri Trade Link
   - Direct debit and direct credit
   - Bancassurance
   - Investment banking
   - Securities services
   - Cash management
   - Transaction banking
   - Foreign exchange forwards, and foreign exchange and interest rate derivatives products
   - Trade finance services
   - Government bonds, treasury bills and state enterprise bonds

SHAREHOLDING STRUCTURE

As of the latest record date on June 11, 2020.

The list of the shareholders holding the ordinary shares over 0.5% of the total shares (7,355,761,773 issued and paid-up ordinary shares at the par value of THB 10 per share) is as follows:

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

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

THE BANK'S SECURITIES

Number of Registered and Paid-up Capital as of December 31, 2020

Registered capital:	75,741,437,470.00	baht	
	Number of shares:	7,574,143,747	Par value: 10.00 baht
Paid-up capital:	73,557,617,730.00	baht	
	Number of shares:	7,355,761,773	Par value: 10.00 baht

Debt Instruments or Convertible Securities

(Unit: Million baht)

Type of Debentures	Interest Rates (p.a.)	Maturity Date	Conditions	Issue Amount	Unredeemed amount and value as of December 31, 2020
Long Term Bonds (Non–Collaterals)					
1. Subordinated Instrument No. 1/2016 (BAY272A) Issue date: August 11, 2016 Debenture rating (Fitch): AA+ Agent: None Objective*	3.50%	February 11, 2027 (10 - year and 6 - month)	-	10,000.00	10,000.00
2. Subordinated Instrument No. 1/2017 (BAY27NA) Issue date: May 24, 2017 Debenture rating (Fitch): AA+ Agent: None Objective*	3.90%	November 24, 2027 (10 - year and 6 - month)	-	17,007.00	17,007.00
3. Subordinated Instrument No. 2/2017 (BAY27NB) Issue date: November 17, 2017 Debenture rating (Fitch): AA+ Agent: None Objective*	3.40%	November 17, 2027 (10 years)	-	14,978.00	14,978.00
4. Subordinated Instrument No. 1/2019 (BAY296A) Issue date: June 14, 2019 Debenture rating (Fitch): AA+ Agent: None Objective*	3.80%	June 14, 2029 (10 years)	-	18,825.70	18,825.70
5. Debenture No. 1/2018 (BAY211A) Issue date: January 26, 2018 Debenture rating (Fitch): AAA Agent: None Objective**	1.91%	January 26, 2021 (3 years)	-	15,000.00	15,000.00
6. Debenture No. 2/2018 (BAY217A) Issue date: July 12, 2018 Debenture rating (Fitch): AAA Agent: None Objective**	2.22%	July 12, 2021 (3 years)	-	14,000.00	14,000.00
7. Debenture No. 2/2019 Series 1 (BAY21NA) Issue date: November 22, 2019 Debenture rating (Fitch): AAA Agent: None Objective**	1.72%	November 22, 2021 (2 years)	-	7,000.00	7,000.00
8. Debenture No. 2/2019 Series 2 (BAY22NB) Issue date: November 22, 2019 Debenture rating (Fitch): AAA Agent: None Objective**	1.80%	November 22, 2022 (3 years)	-	5,000.00	5,000.00

(Unit: Million baht)

Type of Debentures	Interest Rates (p.a.)	Maturity Date	Conditions	Issue Amount	Unredeemed amount and value as of December 31, 2020
9. Debenture No. 1/2019 (BAY224A) Issue date: April 4, 2019 Debenture rating (Fitch): AAA Agent: None Objective**	2.37%	April 4, 2022 (3 years)	-	15,000.00	15,000.00
10. Debent ure No. 1/2020 Series 1 (BAY223A) Issue date: March 27, 2020 Debenture rating (Fitch): AAA Agent: None Objective**	1.44%	March 27, 2022 (2 years)	-	2,900.00	2,900.00
11. Debenture No. 1/2020 Series 2 (BAY233A) Issue date: March 27, 2020 Debenture rating (Fitch): AAA Agent: None Objective**	1.57%	March 27, 2023 (3 years)	-	4,100.00	4,100.00

(Unit: Million USD)

Type of Debentures	Interest Rates (p.a.)	Maturity Date	Conditions	Issue Amount	Unredeemed amount and value as of December 31, 2020
Other Debt Instruments (Non-Collaterals)					
1. Debentures of the Women Bonds (BAY2610AFIFL) Issue date: October 16, 2019 Debenture rating: - Agent: None Objective ***	2.993% - 3.643%	October 16, 2026 (7 years)	-	150.00	150.00
2. Debentures of the Women Bonds (BAY2610ANFFL) Issue date: October 16, 2019 Debenture rating: - Agent: None Objective ***	2.993% - 3.643%	October 16, 2026 (7 years)	-	70.00	70.00

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

Debentures redeemed during 2020

(Unit: Million baht)

Type of Debentures	Amount	Issue Date	Maturity Date
Long Term Bonds (Non-Collaterals)			
1. Debenture No. 1/2017 (BAY203A)	10,000.00	March 29, 2017	March 29, 2020
2. Debenture No. 2/2017 (BAY20NA)	10,000.00	November 3, 2017	November 3, 2020

The Bank obligations on share issuance in the future

- None -

DIVIDEND PAYOUT POLICY

1. Our Dividend Payout Policy

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

The dividend payment shall be in compliance with Article 41 of the Bank's Articles of Association, which states, 'Dividends shall not be paid from other sources than profits. The company shall allocate as reserves a portion of its net annual profit not less than the proportion specified by law. The profits remaining thereafter may be allocated as reserves of various kinds, as the Board of Directors may deem proper, and after approval by the shareholders at the AGM.

The Bank may occasionally pay shareholders interim dividends if the Board of Directors considers it appropriate given the Bank's profitability levels. The payment of interim dividends shall be reported to the shareholders at the next general shareholder meeting.

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

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

2. Our Subsidiaries' Dividend Payout Policy

All dividend payments by the Bank's subsidiaries must be approved by a resolution of the shareholders at a general shareholder meeting, and must be in compliance with relevantrules and regulations.

The subsidiaries may occasionally pay shareholders interim dividends if their Board of Directors considers it appropriate given profitability levels.

In each case, the company must allocate not less than one-twentieth of its net profits as reserves until the total amount allocated is equal to or more than one-tenth of the company's registered capital.

REFERRAL PARTIES

Name, office, telephone and facsimile of referral parties:

Registrar

- Ordinary shares : Thailand Securities Depository Co., Ltd.
  93 The Stock Exchange of Thailand Building,
  Ratchadapisek Road, Din Daeng, Bangkok 10400
  Tel: 0-2009-9999, Fax: 0-2009-9991
- Subordinated Instrument No. 1/2016 : Bank of Ayudhya PCL
- Subordinated Instrument No. 1/2017 1222 Rama III Road, Bang Phongphang,
- Subordinated Instrument No. 2/2017 Yan Nawa, Bangkok 10120
- Subordinated instrument No. 1/2019 Tel: 0-2296-4772, 0-2296-5696 and 0-2296-2030
- Long Term Debenture No. 1/2017 Fax: 0-2683-1302
- Long Term Debenture No. 2/2017
- Long Term Debenture No. 1/2018
- Long Term Debenture No. 2/2018
- Long Term Debenture No. 1/2019

Debenture Holder Representative

- Subordinated Instrument No. 1/2016 : None
- Subordinated Instrument No. 1/2017 : None
- Subordinated Instrument No. 2/2017 : None
- Subordinated Instrument No. 1/2019 : None
- Long Term Debenture No. 1/2017 : None
- Long Term Debenture No. 2/2017 : None
- Long Term Debenture No. 1/2018 : None
- Long Term Debenture No. 2/2018 : None
- Long Term Debenture No. 1/2019 : None

Auditors

: Mr. Chavala Tienpasertkij Certified Public Accountant Registered No. 4301
Dr. Suphamit Techamontrikul Certified Public Accountant Registered No. 3356
Mrs. Nisakorn Songmanee Certified Public Accountant Registered No. 5035

Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
11/1 AIA Building, Sathon Tower, Floor 23-27,
South Sathon Road, Yan Nawa, Sathon, Bangkok 10120
Tel: 0-2034-0000, Fax: 0-2034-0100

Legal Advisors

: Pol. Gen. Ajiravid Subarnbhesaj

Bank of Ayudhya PCL
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Tel: 0-2296-3881 and 0-2296-3883, Fax: 0-2683-1436

GROUP OF COMPANIES

SUBSIDIARIES AND JOINT VENTURES

Krungsri AMC

Krungsri Ayudhya AMC Ltd.
Bank of Ayudhya PCL Head Office, Floor 11
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Telephone : 0-2296-4100 Facsimile : 0-2683-1400

Krungsri Nimble

Krungsri Nimble Company Limited
Bank of Ayudhya PCL Head Office, Floor 21
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Telephone : 0-2208-2849

Krungsri Leasing

Ayudhya Development Leasing Co., Ltd.
Krungsri Ploenchit Office, Floor 14
550 Ploenchit Road, Lumphini, Pathumwan,
Bangkok 10330
Telephone : 0-2208-2300 Facsimile : 0-2208-2274

Krungsri Auto

Ayudhya Capital Auto Lease PCL
Krungsri Ploenchit Office, Floor 16
550 Ploenchit Road, Lumphini, Pathumwan,
Bangkok 10330
Telephone : 0-2627-6010, 0-2740-7400
Facsimile : 0-2627-8211

Krungsri Consumer

Krungsriayudhya Card Co., Ltd.
Krungsri Ploenchit Office,
550 Ploenchit Road, Lumphini, Pathumwan,
Bangkok 10330
Telephone : 0-2646-3000 Facsimile : 0-2646-3001

Ayudhya Capital Services Co., Ltd.
Krungsri Ploenchit Office,
550 Ploenchit Road, Lumphini, Pathumwan,
Bangkok 10330
Telephone : 0-2627-8000

General Card Services Limited
Krungsri Ploenchit Office,
550 Ploenchit Road, Lumphini, Pathumwan,
Bangkok 10330
Telephone : 0-2627-8111 Facsimile : 0-2627-8381

Tesco Lotus Money Services Limited (1)
Krungsri Ploenchit Office,
550 Ploenchit Road, Lumphini, Pathumwan, Bangkok 10330
Telephone : 1712 Facsimile : 0-2627-8615

(1) New company name, Lotus's Money Services Limited, effective on 1 March 2021 onwards

Tesco General Insurance Broker Limited (2)
Krungsri Ploenchit Office,
550 Ploenchit Road, Lumphini, Pathumwan, Bangkok 10330
Telephone : 0-2627-8888
Facsimile : 0-2627-8611

(2) New company name, Lotus's General Insurance Broker, effective on 1 March 2021 onwards

Tesco Life Assurance Broker Limited (3)
Krungsri Ploenchit Office,
550 Ploenchit Road, Lumphini, Pathumwan, Bangkok 10330
Telephone : 0-2627-8888 Facsimile : 0-2627-8611

(3) New company name, Lotus's Life Assurance Broker, effective on 1 March 2021 onwards

Krungsri General Insurance Broker Limited
Krungsri Ploenchit Office,
550 Ploenchit Road, Lumphini, Pathumwan, Bangkok 10330
Telephone : 0-2627-8029 Facsimile : 0-2627-4117

Krungsri Life Assurance Broker Limited
Krungsri Ploenchit Office,
550 Ploenchit Road, Lumphini, Pathumwan, Bangkok 10330
Telephone : 0-2627-8028 Facsimile : 0-2627-4117

Total Services Solutions Plc.
Bangna Tower B
2/3 Moo 14, Bangna-Trad Road, K.M.6.5
Bangkaew, Bangplee, Samutprakarn 10540
Telephone : 0-2714-5199 Facsimile : 0-2777-0009

Krungsri Leasing Services Co., Ltd.
No. 196, Khampeangmeuang Road,
Phonthun Village, Xaysettha District
Vientiane Capital, Lao PDR.
Telephone: +856 2028 6100

Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd.
No. 197 Khampheangmueng Road,
Phonthun Village, Xaysettha District
Vientiane Capital, Lao PDR.
Telephone: +856 2128 6336

Krungsri Microfinance

Ngern Tid Lor PCL [4]
Ari Hills, Floor 9-15
428 Phahonyothin Road,
Samsennai, Phayathai, Bangkok 10400
Telephone : 0-2792-1888 Facsimile : 0-2792-1819

[4] Formerly Ngern Tid Lor Co., Ltd.

Krungsri Securities

Krungsri Securities PCL
898 Ploenchit Tower Floor 3
Ploenchit Road, Pathumwan, Bangkok 10330
Telephone : 0-2659-7000 Facsimile : 0-2646-1100

Krungsri Asset Management

Krungsri Asset Management Co., Ltd.
898 Ploenchit Tower Floor 1-2 Zone A,
and Floor 12, 18 Zone B
Ploenchit Road, Pathumwan, Bangkok 10330
Telephone : 0-2657-5757 Facsimile : 0-2657-5777

Krungsri Finnovate

Krungsri Finnovate Co.,Ltd.
Bank of Ayudhya PCL Head Office, Floor 21
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Telephone : 0-2627-4812

Krungsri Services

Siam Realty and Services Security Co., Ltd.
Bank of Ayudhya PCL Head Office (Tower C Floor 5A)
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Telephone : 0-2296-3435, 0-2296-3496
Facsimile : 0-2296-2369

Hattha Kaksekar Bank Plc. [5]
No.606, Street 271, Sansam Kosal 3 Village,
Sangkat Boeng Tumpun 1, Khan Mean Chey,
Phnom Penh, Kingdom of Cambodia

[5] Formerly Hattha Kaksekar Limited

Hattha Services Co., Ltd.
No.606, Street 271, Sansam Kosal 3 Village,
Sangkat Boeng Tumpun 1, Khan Mean Chey,
Phnom Penh, Kingdom of Cambodia

SB Finance Company, Inc.
849 Keyland Arnaiz Building, Antonio Arnaiz Avenue,
Legazpi Village, Makati City, Philippines

COMPANIES THAT THE BANK HOLD SHARES OF 10 PERCENT BUT LESS THAN 20 PERCENT OF ITS PAID-UP CAPITAL

P.P. Parawood Co., Ltd.
111/1 Moo 1 Tambonbanchang,
Phanatnikom, Chonburi 20140
Telephone : (038) 464-270-73

Rent Trade and Service Co., Ltd.
UM Tower, 9/222-224, Ramkhamhaeng Road,
Suanluang, Bangkok 10250
Telephone : 0-2017-7200 Facsimile : 0-2017-7201

Baania (Thailand) Co., Ltd. [6]
21/5, Soi 9, Siri Mangkalajarn,
Mueang Chiang Mai District,
Chiang Mai 50200

[6] Indirectly holding via Krungsri Finnovate Co., Ltd. of 14.99 percent

Finnomena Company Limited [7]
Thaniya Plaza, Floor 17, Zone D, 52 Silom Road,
Suriyawong, Bangrak, Bangkok 10500
Telephone : 0-2026-5100

[7] Indirectly holding via Krungsri Finnovate Co., Ltd. of 12.44 percent

Choco Card Enterprise Co., Ltd [8]
No. 2150/4, Sukhumvit Road, Bangchak Sub-district,
Phra Khanong District, Bangkok, 10260

[8] Indirectly holding via Krungsri Finnovate Co., Ltd. of 11.50 percent

COMPANIES WITH SHARES ACQUIRED THROUGH DEBT RESTRUCTURING

Lenso Phonecard Co., Ltd.
292 Srinakarin Road, Huamark, Bangkapi,
Bangkok 10240
Telephone : 0-2351-8116 Facsimile : 0-2351-8009

UMC Metals Limited
32/40 Sino-Thai Tower, Floor 16,
Sukhumvit 21 Road (Asok) North Klongteoy,
Wattana, Bangkok 10110
Telephone : 0-2259-2942-5 Facsimile : 0-2259-2946

DISTRIBUTION NETWORK

BANK OF AYUDHYA PUBLIC COMPANY LIMITED

AS OF DECEMBER 31, 2020

HEAD OFFICE

1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120

Telephone:	0-2296-2000
Krungsri Call Center:	1572
Facsimile:	0-2683-1304
Website	www.krungsri.com

BRANCH AND FINANCIAL SERVICES CENTERS

Number of branches in Thailand*	**670**
Greater Bangkok and vicinity	286
Upcountry	384
Number of overseas branches outside Thailand	**1**
Foreign Currency Exchange Booths	72
Exclusive Banking Zones	50

Remark: * For more information, please visit our website (www.krungsri.com).

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For more information, please contact:
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